

Joint Committee to Develop a Master Plan for Education

Working Groups Interim Report



September 2001
Sacramento, California

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Table of Contents

<i>Section</i>	<i>Page</i>
Introduction	1
Background	2
Purpose of the Interim Report	4
 Student Learning Working Group	
Executive Summary	6
Group Membership and Affiliation	7
Group Charge and Guiding Principles	9
Organization of Work	10
Status of Deliberations	11
Concluding Thoughts	19
 School Readiness Working Group	
Executive Summary	20
Group Membership and Affiliation	21
Group Charge and Scope	24
Organization of Work	25
Status of Deliberations	27
 Workforce Preparation and Business Linkages Working Group	
Executive Summary	30
Group Membership and Affiliation	31
Group Charge and Scope	33
Organization of Work	33
Status of Deliberations	35

Emerging Modes of Delivery, Certification, and Planning Working Group

Executive Summary	44
Group Membership and Affiliation	45
Group Charge and Scope	47
Organization of Work	47
Status of Deliberations	49

Professional Personnel Development Working Group

Executive Summary	55
Group Membership and Affiliation	56
Group Charge and Scope	58
Organization of Work	59
Status of Deliberations	62

Governance Working Group

Executive Summary	68
Group Membership and Affiliation	69
Group Charge and Scope	70
Organization of Work	70
Status of Deliberations	71
Conclusion	79

Finance and Facilities Working Group

Executive Summary	81
Group Membership and Affiliation	82
Group Charge and Scope	84
Organization of Work	86
Status of Deliberations, K-12 Education	87
Status of Deliberations, Postsecondary Education	94

Joint Committee to Develop a Master Plan for Education

Working Groups Interim Report

Introduction In 1960, California took a bold step by developing a Master Plan wherein every qualified and motivated California resident was guaranteed tuition-free access to higher education. The Master Plan for Higher Education has been reviewed each decade since 1960. In 1973, the Legislature modified the State's Master Plan by adding student diversity goals to foster a higher education community that would be representative of the demographics of the state and of high school graduates, and replacing the coordinating body of higher education executive officers with a new commission comprising a majority of lay citizens. In 1989, the Legislature focused its attention on community colleges, seeking to clarify their mission, and calling for a strengthening of the transfer function; greater emphasis on educational equity and excellence; and greater involvement in economic development. In 2000, the Legislature set an even more ambitious goal: extend the reach and promise of the Master Plan by bringing the State's schools, colleges, and universities into a more cohesive, learner-focused system — from kindergarten through postsecondary education, to entering the workforce successfully, and ultimately to becoming a responsible citizen.

Over the past two decades, legislators and educators have added many separate, independent education programs in response to new demands — the increasing diversity of our population, technological advances, workforce changes, global competition, and the need for an active and engaged body politic. Bringing California's three separate public education levels — elementary, secondary, and postsecondary — together into a cohesive system with quality guarantees at all levels is the next logical step in the ongoing work of reshaping these education systems to be more responsive to specific learner needs.

The State of California Education

In many ways, the state of California's complex education system can be understood by analogy. Anyone who has ever seen a grid of growth patterns in a major city cannot help but be awed by the complexity of the system: major and minor arterials allow access to key points in the city, different modes of transportation enable more people to enjoy city life, traffic signals ensure smooth and coordinated movement, and plans for continued development and investment provide assurance of the city's responsiveness to change. However, when one views growth patterns in terms of disaggregated residential population density patterns, one is less admiring of the

system. Inequities, depressed areas, routes that lead to nowhere, and certain forgotten parts of the city seemingly left to decay are revealed. It becomes clear that certain constituent groups are more influential than others in shaping the direction of city planning and that long-term evolution of their roles has blurred lines of responsibility in ways that do not promote efficient and responsive delivery of services to all citizens and is not attentive to clear lines of accountability.

Similarly, an initial overview of California's education system can be just as impressive. There are some 1,000 school districts and 8,000 schools, educating approximately six million K-12 students; there are 139 public colleges and universities, more than 1,000 independent colleges and universities, and more than 3,000 private postsecondary educational institutions, educating an additional two million students each year. This system appears to provide numerous opportunities and access to an education. However, when one looks carefully at California's complex education system, one is less admiring. A closer examination reveals an inequity in access to high quality educational experiences, in the distribution of qualified teachers, and in the quality of services provided to students from different income, racial, and ethnic groups. Many schools are located in the forgotten parts of cities. They are left to decay with little investment and too many poor and neglected students are left with little hope.

Background During the 1999-2000 legislative session, the Legislature enacted Senate Concurrent Resolution 29, which established a Joint Committee to Develop a Master Plan for Education: Kindergarten through University, and charged it with developing a Master Plan for all of education that would seek to eliminate inequities in educational opportunities and persistent achievement gaps.

The Joint Committee began to organize its activities amidst a flurry of legislative and administrative reform initiatives, in California and elsewhere, focused on individual aspects of the public school system. These initiatives grappled with a host of complex issues, including standards, testing, teacher preparation, college admissions policies, governance, funding streams, and institutional turf issues, to name just a few. While compelling, these efforts have not been systemic in nature and as a whole have not focused on generating greater system responsiveness to learner needs. Committee members and staff invested about a year talking with Californians and with other elected officials through town hall meetings, symposia, interviews, and hearings identifying the strengths and weaknesses of public schools, colleges, and universities. They also sought to identify what outcomes should be encouraged in the state's educational institutions. The results of these conversations were distilled and summarized into a document entitled *A Framework to Develop A Master Plan for Education* that was adopted and released by the Joint Committee in August 2000. Contained in the Framework is the vision that has guided the balance of the Joint Committee's efforts to develop a comprehensive Master Plan:

“California will develop and maintain a cohesive system of first-rate schools, colleges, and universities that prepares all students for transition to and success in the next level of education, the workforce, and general society, and that is responsive to the changing needs of the state and its people.”

Consistent with this vision, the education Master Plan currently under development places learning at the center of policy decisions, rather than focusing on debates around individual system issues. With this focus on learning, California has an opportunity to once again lead the nation by creating a system that is accountable to the learners and what they need to be successful.

Imagine a system of education where every child enters school ready to learn, where all third graders read at or above grade level, where all students have taken algebra by the end of the 8th grade, where high school exit exams test students at the 12th-grade level and are aligned with college admissions requirements, where all young people graduate from high school prepared for college or work, and where every student is provided the opportunities necessary to complete college successfully.

In order for this vision to become reality, California must provide the appropriate opportunities for our children to demonstrate their competency with respect to a foundation set of knowledge and skills that will prepare them for successful postsecondary education, transition to work, and responsible citizenship.

Public/Private partnership

Undertaking a project as ambitious as this one cannot be accomplished successfully by relying exclusively on the resources of the Legislature. This project has been generously supported by numerous organizations and individuals. Without their support and involvement, it would not have been possible to make the progress that is summarized in this report.

Financial supporters

Several foundations have provided generous financial support to the efforts of the Joint Committee, enabling it to secure the services of an outstanding group of professional consultants and the participation of scores of Californians who generously volunteered their time. Major financial supporters include:

- The James Irvine Foundation
- The J. Paul Getty Trust
- The William and Flora Hewlett Foundation
- The Walter S. Johnson Foundation
- The Alliance for Student Achievement
- The California Children and Families Commission

Research Supporters

The development of a new learner-focused Master Plan is being grounded as much as possible in current research and data. Analysis of efforts to reform education, improve institutional performance, raise student achievement, and institute greater public accountability and best practices in California and other states has been undertaken by Joint Committee staff. However, they have been greatly assisted by the generous contributions of a number of organizations. These organizations include:

- Public Policy Institute of California (PPIC)
- Policy Analysis of California Education (PACE)
- Center for the Future of Teaching and Learning (CFTL)
- WestED

Working groups

Given the comprehensiveness of this undertaking and its desire to solicit broad public input, the Joint Committee elected to subdivide the work into more manageable tasks by creating a series of seven working groups. Each working group comprises representatives from major education stakeholder groups, business, researchers, practicing professionals, and, when possible, students and parents. The membership of each working group and their affiliations are included in the working group summary reports that follow. The working groups are chaired by individuals noted for their expertise and long commitment to excellence in education.

Stakeholder groups

The Joint Committee sought and received the support and involvement of most sectors of the education community, from the governing boards of each publicly supported sector of education to the professional organizations representing various employee groups. These entities have generously contributed their time and expertise, supporting their representatives participating on one or more of the seven working groups established to develop recommendations for the content of the new Master Plan for Education. Additionally, they have made their facilities available to accommodate meetings of the working groups.

**Purpose
of the
Interim
Report**

This report has been prepared for the members of the Joint Committee, their immediate staff, and subsequently for Californians throughout the state. The deliberations of each of the seven working groups have, of necessity, been somewhat diverse in developing to date. It was necessary for the diverse membership of each working group to develop a group identity, a common understanding of the area and attendant policy issues assigned to their group, and to develop a common foundation of knowledge from which possible solutions and options could be derived. These

steps took time. However, as the deadline for producing a final report rapidly approaches, each group has begun to formulate consensus around a series of options that remain feasible for addressing challenges explored by the group and for constructing the type of learner-focused educational system envisioned by the Joint Committee. Each working group was advised at the outset to not be constrained by historical practices but to consider all options that they deem to be essential to constructing a cohesive system of schools, colleges, and universities that focuses on continuous improvement in student achievement and institutional performance, and that strives to eliminate any significant gaps in student achievement among identifiable student groups. They were encouraged to consider options that might not ordinarily come up in the normal process of legislative and budget deliberations.

The summary provided by working group consultants in the following pages is intended to provide Joint Committee members with a sense of the approaches each group has taken to meet its charge. The groups have consulted widely with experts in various aspects of the educational enterprise, as well as with California educators engaged in one or another aspect of the state's educational enterprise. The summary reports are intended to provoke thoughtful reflection of how educational institutions *should* function – both within the public sector and in cooperation with the private and independent educational sectors – as much as they are intended to describe the options under consideration to respond to educational challenges before us. Each group will continue its efforts to derive consensus on the strengths and weaknesses of various options currently under consideration and will include the most promising options in their final reports and recommendations to the Joint Committee, scheduled for delivery in January/February 2002.

California owes much of its success to the unwavering priority that has been given to encouraging the educational attainment of its people and to a commitment to ensuring that ample access is provided to high quality educational opportunities at no, or very low, cost. This commitment has sustained a state economy estimated to be the fifth largest in the world and has provided unprecedented levels of access to postsecondary education. The challenge now is to lead the nation in designing educational systems and strategies that are effective in fostering high levels of achievement among all students and that are flexible enough to remain effective as the personal, cultural, economic, and aspirational characteristics of students change over time. The vision and detailed thinking of hundreds of Californians reflected in this report should convince the reader that the will exists within this state to meet this challenge.

Student Learning Working Group

*"A Quality Education for Every Learner:
It's More Than A Dream, It's A Plan"*

Executive Summary California's richness, born of diverse people, cultures, and viewpoints is the cornerstone of our success as a state. At the same time, our ability to create and maintain a laser-like devotion to providing an integrated, targeted, high-quality education to each Californian will determine the continued success of our state and its citizens. In this report, the Student Learning Working Group sets forth a vision of what a student-focused, high quality K-16 educational system would look like in California and introduces suggestions for a plan for ensuring accountability at each level of education.

Despite continued, albeit uncoordinated, efforts to raise the caliber of its educational system, California has remained largely unable to improve its educational outcomes in relation to the nation or to close the large gap in achievement between and among students from different income levels and racial and ethnic groups.

The current legislative approach to education in California and elsewhere has been to create legislation centered on individual aspects of the system. This has resulted in the Legislature grappling with a host of complex issues, including standards, testing, teacher education, college admissions policies, governance, funding streams and institutional turf issues, to name just a few. The efforts, while compelling, have not been systemic in nature, have not focused on the learner, and, more importantly, have not addressed the achievement gap. To address this achievement gap successfully, an education Master Plan must place learning at the center of policy decisions, rather than focus on debates around individual education issues. Only with this focus on what students need to be successful learners can California create a system that is accountable to the learners.

In the following pages, the Student Learning Working Group provides (1) a listing of its membership; (2) a summary of the group's charge and principles adopted to guide the group's deliberations; (3) the manner in which the group organized its activities to accomplish the charge assigned to it; (4) a summary of group deliberations to date; and (5) some concluding remarks.

**Group
member-
ship and
affiliation**

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Mr. Alexander (Sandy) Astin
Professor of Higher Education and
Director, Higher Education Research Institute
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Ms. Roberta J. Ching
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Professor, School of Education
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Ms. Patricia Gandara
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Ms. Merrill Vargo
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Ms. Sonja L. Yates
Superintendent
Central School District

**Group
Charge
and
Guiding
Principles**

Based on the *Framework to Develop A Master Plan for Education*, adopted by the Joint Committee in August 2000, the Student Learning Working Group has been charged with developing recommendations in seven areas.

Key charges of the Student Learning Working Group:

1. Define a “high quality” education.
2. Identify and examine the factors that promote (and inhibit) access, opportunity to learn, and success for all students.
3. Promote successful transition of students throughout the education system by identifying key K-16 transition points and specifying a system that will address impediments to successful transition.
4. Establish greater coordination across grades/segments by aligning K-16 curriculum and assessments.
5. Ensure that supplemental instructional services and resources (including so-called remediation) lead to genuine opportunities and success.
6. Re-examine the eligibility criteria and admissions practices of four-year colleges and universities, and facilitate transfers from community college to four-year institutions.
7. Determine how an accountability system can be structured that has an impact on all participants at all levels of the K-U education system.

The Principles of the Student Learning Working Group

With the focus of the new Master Plan grounded in the needs of the learner, the Student Learning Working Group has centered its work around six guiding principles.

- 1) All students are entitled to equal opportunities to become proficient in the skills necessary to succeed at the next grade level and ultimately as a citizen in a democracy and a participant in a global economy.
- 2) All students are entitled to be taught by highly qualified educators who meet common high professional standards of pedagogical and content expertise.
- 3) The K-16 system guarantees learners multiple points of exit and entry into the system as well as feedback regarding their progress in meeting their academic needs.

- 4) Administrators, educators and faculty throughout the education system should be held accountable to determine how well students are achieving instructional objectives through multiple measures aligned to academic standards.
 - 5) It is the responsibility of educational institutions throughout the K-16 system to provide appropriate, effective, targeted supplemental resources and interventions needed to support students who are not achieving to expectations.
 - 6) It is the responsibility of educational institutions throughout the education system to build on the strengths of our multilingual, multicultural heritage.
-

Organization of Work

Calendar

The Student Learning Working Group has scheduled 11 meetings, seven of which have already been completed. Scheduled meetings of the working group include: February 26, in Sacramento, March 26, in Los Angeles; April 23, in Sacramento; May 21, in Los Angeles; June 25, in Sacramento; July 23, in San Francisco; August 27, in Los Angeles; September 24, in Los Angeles; October 22, in Sacramento; November 26, in Los Angeles; December 17, in San Diego and January 28, 2002 in Los Angeles.

Guest speakers

The working group has sought to enhance its discussions by inviting experts in one or more of the topics being addressed by the group. Among the speakers that have addressed the group are: Ernesto Cortez, Los Angeles community organizer; Gary Blasi, ACLU Attorney; Ron Fox, Director of the Assessment Project, California Department of Education; Bob Anderson, California Department of Education; Susan Bonoff, Director of GEARUP Project, North Hollywood High School; Russ Rumberger, Professor, UC Santa Barbara; and Dorothy Perry, President of UC Board of Admissions and Relations with Schools. In addition, the following group members made presentations: Dr. Alexander Astin, Professor of Education at UCLA; Mike Kirst, Professor of Education, Stanford University; Linda-Darling Hammond, Professor, Stanford University; Jeannie Oakes, Professor, UCLA; Sonia Hernandez, President of the Alliance for Student Achievement; Phyllis Hart, Director of the Achievement Council; and Patricia Gandara, Professor, UC Davis.

Background meeting materials

The working group consultant gathered pertinent research, summaries of practices in other states, and data on student achievement, which was forwarded to each group member prior to scheduled meetings. This was intended to permit more focused discussions during the limited time that group members were gathered together. As the group's thinking progressed, the consultant and working group co-chairs prepared a draft document summarizing the group's growing consensus around key issues. This

document is distributed to group members in between scheduled meetings with a request for comments and suggested improvements.

Continuous communication

A Listserv was established to provide all working group members with a forum for continuing debate and discussion about key topics for which insufficient time was available at scheduled group meetings to explore fully. New questions and issues were introduced via the Listserv as well, as a means of preparing group members for the next scheduled meeting and to elicit feedback on the evolving draft group report.

Status of Deliberations The Student Learning Working Group (SLWG) envisions an education system in California that provides what a learner needs to achieve to high standards and a system that has support and accountability mechanisms in place to ensure that opportunities for all students to achieve to high standards are provided. To ensure that every California student achieves high standards, the SLWG agreed that we must develop a long-range plan for organizing the education system in the state such that all students have the opportunities to experience successful transitions from one educational level to the next. The following key issues regarding student achievement in California were considered:

Define a “high quality” education

In attempting to define a “high quality” education, one unsettled issue is the definition of a high quality education. Through litigation, in California and elsewhere, the State's obligation to ensure that students actually have equitable opportunities to develop the cognitive skills they need to succeed in the workplace and to be effective citizens in the modern world is being developed in the courts. States are being asked to determine what resources are needed (or are adequate) to provide the opportunity for a high quality education to all students and the extent to which those resources are actually being provided.

A high quality education should nurture and stretch a student’s abilities at each level of cognitive development and at each level of education. In California society today, higher order thinking skills are necessary to participate in the “new economy” and to participate effectively in society. The prevalence of computer technology in everyday life has increased the availability of tools to support student success in raising the level of their achievement.

More importantly, an economy based on service and technology has raised the level of critical thinking and understanding required within most jobs. Unskilled labor that can support a middle class family is no longer an available option for most high school graduates. A two-year diploma or a Bachelor’s degree has come to signify mastery of the set of skills needed to succeed in today’s economy. Recently (2000), the Census

Bureau estimates that to earn a living in the new economy, the standard level of education no longer is a high school diploma but is in fact two years of college terminating with a technical certificate or an associate (AA) degree.

The SLWG defines a high quality education in California as an education that prepares all of its diverse students for further academic experiences, civic responsibilities, and productive work. A high quality education will provide our students with a fair and meaningful opportunity to enter and succeed in postsecondary education, and encourage lifelong learning. A high quality education will recognize that the phrases "ready for college" and "ready for work" are *not* mutually exclusive, and that skills and knowledge needed by high school graduates who enter the workforce are the same as those needed by graduates who go directly to college. A student who is adequately and appropriately prepared for either choice should be prepared for both, as well as for participation as a citizen in a diverse democracy. The decision about whether to go to college (and what type of college) or directly to work must be the student's, not the educational system's.

Identify and examine the factors that promote (and inhibit) access, opportunity to learn, and success for all students.

While students' active effort and persistence are key to successful learning, every student in California has a fundamental constitutional right to a free public education, which California seeks to ensure is of high quality. Moreover, every student has a further right to educational opportunities equal to those provided to most of the students in the state. Excellence and equality must be defined as the factors that promote access, opportunity to learn, and success for all students. To ensure that these rights are being provided to and protected for all students, evaluations and policy decisions must be informed by data. The state will need to develop an accountability system that holds everyone accountable with explicitly defined roles and responsibilities, has clear consequences; provides opportunities for improvement, especially in identified areas, and develops an information/monitoring system that will analyze the progress of students and the effectiveness of programs and institutions.

Identify key K-16 transition points and specify the needed system, professional, and student performance accountabilities for successful transitions.

The Master Plan must attend to the critical transitions between levels and sectors within the K-16 system to ensure that neither access nor quality is denied as students move through the system. This may imply very different structures and responsibilities for schools and new roles for educators at different levels of the system: e.g., changes in the structure of the school day and year; in the relationships between schools, families, and community groups; changes in the placement and promotional procedures of educational institutions; and changes in admissions requirements of public higher education institutions. It also may require very different definitions of what is included as "basic" education and what is included as "supplemental," "enrichment," or "remedial."

Establish greater coordination across grades/segments by aligning K-16 curricula and assessments

The SLWG agrees that successful alignment of curriculum and assessments between K-12 and postsecondary systems and institutions requires a meaningful collaboration between educational professionals at each level. In no way, however, should intersegmental collaboration be construed as giving postsecondary education oversight responsibility for K-12 institutions. Rather, it means a reciprocal relationship that influences the educational content and processes of both K-12 and postsecondary education.

A combination of existing efforts with new Master Plan responsibilities for both sectors should provide to all California students more meaningful opportunities to receive a high quality education. Collectively, outreach programs for traditionally underrepresented groups, an expanded postsecondary education role in teacher professional development services, as well as in K-12 content standards and assessments, and provision of adequate state resources for all schools to provide educational experiences that enable students to prepare themselves for successful college admission should serve the state well.

For those students who choose not to go on to college, setting the right graduation standards at high school so that students have a range of choices is essential. Successful transition from school to careers also requires high standards and high levels of proficiency; preparing for careers and college is not an either-or proposition. The SLWG is committed to examining ways to better align college preparation and career preparation so that it works equally well for those eager to move directly into the workforce as well those who choose to continue their education after high school graduation at a college or university setting. A key concern here is the extent to which preparation can be defined more in terms of competencies required for success than completion of courses and exams.

Ensure that supplemental instructional services and resources (including so called remediation) lead to genuine opportunities and success.

California's primary educational focus, from kindergarten through postsecondary education, must be on ensuring that students receive the instruction and support services necessary to succeed at the next level of education and the workforce. This is key to getting all students to be "citizen ready." Toward this end, features of effective intervention programs must be incorporated as integral parts of the educational delivery system, not as add-ons only for some students. Over time, supplemental programs from the earliest years should be focused on helping all students "keep up" rather than on assisting those who've fallen behind to "catch up."

The SLWG agrees that the developing standards-based assessments must contain mechanisms that accommodate individual differences in rate, pace, and style of

learning and provide multiple measures of the learning that does occur. Opportunities must be systematically built in to ensure that those students who take longer to meet standards (examples: English language learners may need extended learning opportunities; community colleges for students who need additional courses to meet university entrance; double-blocked pre-algebra courses at seventh grade for those who need it). In sum, concurrent supplemental learning opportunities should be in place before failing occurs.

Re-examine the eligibility criteria and admissions practices of four-year colleges and universities, and facilitate transfers from community college to four-year institutions.

The original Master Plan for Higher Education designated the top one-third of high school graduates as eligible for CSU admission and the top one-eighth as eligible for UC admission. While there is no magic to these numbers, the institutions may be able to enroll only a portion of high school graduates who meet their eligibility requirements in the future, given limitations on space. The growing demand for college-educated workers, the expanding desire among young people for a college education, and the increasing population and diversity of the state all suggest that California's higher education institutions will have to adapt to more numerous and diverse students over the next few decades.

The California Community Colleges are intended to be an important vehicle for providing postsecondary education access for Californians. An emphasis on the transfer function was, and remains, vital to California's commitment to enable talented and motivated students to earn baccalaureate or advanced degrees from public universities, even if they were unable to gain admission as a freshman. However, institutional policies and practices have added levels of complexity to the transfer function that are not particularly sensitive to student needs. The SLWG believes these policies and practices warrant a critical examination to determine how strategies to align courses throughout the education system and expand collaboration among educational professionals might contribute to reducing the complexity of the transfer function and increasing its responsiveness to student needs.

These demands suggest that the state must make a long term investment in a student information management system to ensure that student progress is monitored into postsecondary institutions and into the workforce, and that information regarding interventions and support services to students are continuously analyzed for their effectiveness. In addition, the state will have to examine alternative opportunities for expanding access to academic programs through means other than exclusive reliance on new campus construction.

Establish an accountability system that applies to participants at all levels of the K-16 system.

The Master Plan must develop a framework for broad-based democratic accountability at all levels that emphasizes continually analyzing information and monitoring

continuous improvement in meeting specific roles and responsibilities at all levels. The SLWG has focused a good deal of its on around this particular issue because of the obvious systemic inequalities already outlined and the lack of an accountability system that effectively and uniformly implements the existing standards for opportunities to learn for all students.

The Achievement Gap: California's "Educational Achilles Heel"

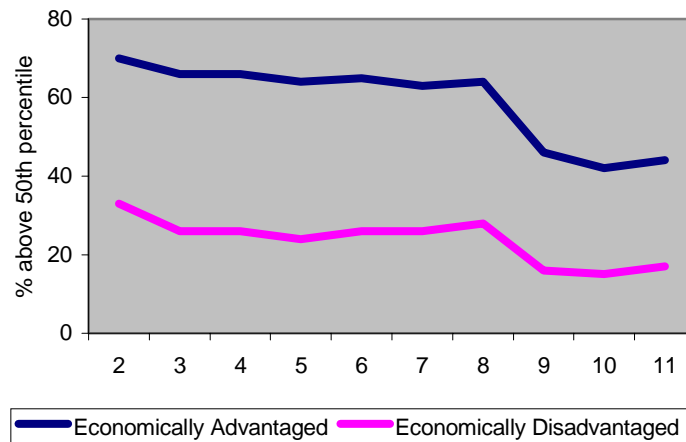
To ensure that every California student achieves high standards, the SLWG agreed that California must develop a long-range plan for organizing the education system in the state such that *all* students have the opportunities to experience successful transitions from one educational level to the next. Currently, not all students are receiving equitable opportunities to be successful learners.

- Students drop out of California's educational system in disproportionate rates depending on SES status and membership in different racial/ethnic groups.
- High school graduation rates have decreased overall in California. For those students that *do* graduate, rates vary widely depending upon their race, ethnicity, and SES status. Approximately 55% of African American and Latino students graduate from high school, while on average over 70% of White high school students graduate.
- Large gaps exist between the achievement levels of students from different racial and ethnic groups. National data show that the gap between low-income student achievement and non-low-income student achievement widens if the student is also a member of a racial or ethnic group traditionally underrepresented at advanced educational levels. *In reading and in math, a 12th grade low-income student from an underrepresented racial/ethnic group is achieving as well as an eighth grade White student.*
- Of the students who graduate from high school, just about 50% attend college somewhere in California – roughly 15% lower than the national average. The majority of the students who attend college immediately after high school graduation attend community college (over 60%). An even larger percentage of African American, Latino, Native American and White students who continue their education immediately after high school graduation do so at a community college (over 71%).
- Even if students graduate from high school and have sufficiently high levels of achievement to be eligible for admission into a selective university, a large proportion of students (disproportionately Black and Latino) find themselves in remedial courses. Longitudinal data on remediation programs has shown that if a student has to take remedial reading in college the chances of graduation were as

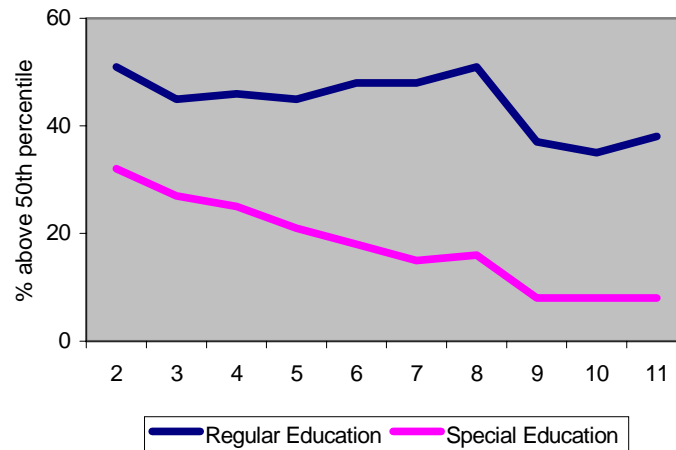
low as 18%. Taking other remedial course work in addition to reading diminishes, significantly, the chances of graduating from a postsecondary institution.

- Many college freshmen do not return for their sophomore year (data are worse for low-income students).

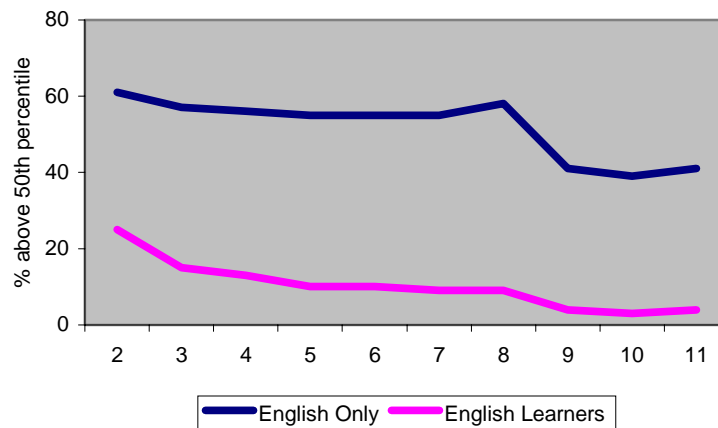
Achievement Differences for Economic Subgroups



Achievement Difference Among Education Subgroups



Achievement Differences Among Language Subgroups



Why is there an achievement gap?

The Student Learning Working Group examined several reasons for the achievement gap. Schools with a high number of students from underrepresented racial/ethnic groups and/or low income students (students who receive a federal lunch subsidy) face significant resource constraints and challenges. In many cases, students at these schools are given different and lower level curricular experiences; are taught by disproportionately high numbers of unprepared teachers compared to other schools; and, consequently, are not well prepared to take advantage of opportunities to attend college. Of those who do go on to college, the percentage of students taking remedial courses in their freshman year is above 45% at the Community Colleges and CSU system and nearly as high as those enrolling in a University of California campus as a first-time freshman. Neither the Community Colleges, the CSU, nor the UC systems systematically collect data on the effectiveness of the remedial courses in addressing the under-preparation of students. There is no system of accountability that ensures that the courses are effective in correcting remedial needs of students. There are a disproportionate number of low-income and students from underrepresented racial/ethnic groups who enroll in remedial courses.

Key transitions

Each postsecondary institution uses placement exams for determining the readiness of incoming students for postsecondary education studies. High schools do not specifically prepare students for postsecondary placement exams because the exams are not necessarily aligned with the content knowledge required to be taught in high schools, nor is there agreement among the postsecondary institutions as to acceptable levels of achievement on the placement exams. This issue is being taken up by the California Education Roundtable's forum on assessment. The SLWG is considering using measures of student success at key transition points such as the transition from

high school senior year to college and work, respectively, as “benchmarks” for a more comprehensive information and monitoring system. Successful transitions from kindergarten, third grade, sixth grade, and ninth grade are also being considered as potential benchmarks of student achievement and institutional performance.

Purpose of an accountability system in California

The purpose(s) of an accountability system for California should support efforts to achieve systemic reform, set an appropriate timeline for full implementation (perhaps 20 years), focus on achieving the overarching goals of (1) eliminating significant achievement gaps between identifiable student groups; and (2) fostering higher levels of preparation for successful postsecondary education and employment in a global economy requiring more discreet skills.

That means that students, educators and schools are not the only ones being held accountable. Policymakers and educators are also held responsible for providing the commitment, policy mechanisms, and resources that a high-quality system of education requires. This framework must specify accountability mechanisms that monitor and assess the distribution and quality of access and opportunity, as well as outcomes.

Accountability is often misunderstood

Accountability is often misunderstood, or incorrectly focused, and can suffer from (overly) prescriptive language. K-12 experience in other states indicate that effective accountability mechanisms help identify problems in order to direct adequate resources and support to correct the problem. The goal is not to punish low-performing students or schools; rather, the goal is to diagnose difficulties in improving student and institutional performance and intervene in ways that enhance teaching and learning. Consequently, the SLWG believes California’s educational accountability system should be guided by the following principles:

- Accountability systems should increase the probability of (but do not guarantee) high quality practice leading to positive outcomes.
- Effective accountability systems should call attention to problems in teaching and learning and direct adequate resources toward addressing them (rather than initiating punitive measures for parts of the educational system that are struggling).
- Useful accountability systems monitor all levels of the educational system (student, teacher, school, district, state education agency, legislature, and governor) and include indicators that measure the extent to which the responsibilities assigned to each level is being effectively exercised.

- Testing does not equal accountability.
- Indicators, like test scores, are information for an accountability system; they are not the system itself.
- Tests can enhance or undermine learning and accountability depending on what they measure and how they are used.
- Accountability occurs only when policy makers act on information in ways that create better opportunities and outcomes for individuals and groups of students.

While these principles hold throughout the educational system, given the nature of higher education, accountability for postsecondary institutions must differ from that for K-12 schools. Elementary and secondary level instruction works toward a set of knowledge and skills common to all enrolled students. Baccalaureate and advanced degree programs are based on student specialization in particular disciplines. While undergraduates must meet common general education requirements, this coursework is only part of their four-year curricula. It is within the undergraduate or graduate major that faculty establish discrete competencies to be acquired. Any recommendations on accountability should reflect those differences. However, the State must routinely receive data that document the success of postsecondary institutions in educating California's different student populations equally well.

Concluding Thoughts

As California creates a timeline of its existing accountability plans and makes recommendations that will affect the future of education in our state, it is imperative that we *plan* for these challenges and create systems that will gradually increase the capacity of all involved in education to improve their respective performance. California must ensure that all students are prepared for transition to and success in the next level of education, the workforce and society. In order to do this, we must close achievement gaps and erase the "Achilles' Heel" of California education by appropriately educating every student enrolled in a public school. Incorporating a system for measuring, supporting, and holding accountable every level of education for the success in achieving this goal will be an essential element of a comprehensive state plan.

School Readiness Working Group

Executive Summary The School Readiness Working Group has adopted and built upon the National Education Goals Panel's definition as its working definition of school readiness. There are three components of school readiness: (1) readiness in the child, including five interrelated dimensions of physical well-being and motor development, social and emotional development, approaches to learning, language and communication, and cognition and general knowledge; (2) schools' readiness for children, including a smooth transition between home and schools, continuity between early care and education programs and elementary grades, and a student-centered environment focused on helping children learn; and (3) family and community supports and services that contribute to children's readiness, including high quality child care and health services.

At a time when California is the fifth largest economy in the world, 27% of our children less than five years of age live in poverty, which affects student achievement significantly. Available data document that academic achievement is lowest among students who come from low-income households. For the 3.3 million children in California under five, school readiness may be the foundation for improved student achievement and the surest path to economic self sufficiency. This, in turn, will reinforce California's economic foundation in the 21st century.

In recognition of the critical benefits of school readiness, the School Readiness Working Group wants to ensure a comprehensive school readiness system that provides equity and access to services for all children that meet the full range of children's needs. Success in such a collaborative system will require partnerships among all stakeholders and increased parental involvement. The role of government to help parents provide for their young children is already a substantial one. As more parents enter the workforce, leaving their young children in the care of others, we must ensure that families have access to high quality child care, health care, and other supports that will help families help their children enter school ready for success.

In the following pages, the School Readiness Working Group provides (1) a listing of its membership; (2) the group's scope of work and principles adopted to guide the group's deliberations; (3) the manner in which the group organized its activities to accomplish the charge assigned to it; and (4) a summary of group deliberations held or planned.

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**Group
Charge
and
Scope**

In its document entitled, *A Framework to Develop a Master Plan for Education*, released in August 2000, the Joint Committee to Develop a Master Plan for Education articulated a vision for California's education system that emphasizes learner outcomes. Moreover, the Framework explicitly acknowledges that high quality education does not begin only upon entry into formal schooling. Family involvement in nurturing children such that they are ready to benefit from the educational experiences to which they will be exposed is also vitally important. The following excerpt from the Framework is illustrative of the importance the Joint Committee ascribes to early education preparation and forms the basic charge to this working group:

"To promote the continued educational success of all students, the state has an interest in making available to all families who desire them early education opportunities that support children's cognitive development".

In pursuit of these goals, California is, for the first time in its history, recognizing that high quality early education experiences are critical to successful student performance at later ages, and must be part of any system that focuses on student achievement. The School Readiness Working Group embraces the decision of the Joint Committee to Develop a Master Plan for Education that there is a public obligation and shared responsibility for ensuring every child's school readiness before they enter school. The working group is focusing on early education, school, and family systems, but will also look at health and social service systems that have an impact on young children and their families to determine how collaboration can better take place among the former and the latter clusters of services.

The School Readiness Working Group has reviewed the request of the California Commission on Families and Children (CCFC) by the Joint Committee to Develop a Master Plan for Education to convene a working group on School Readiness and made the following decisions as the basis for framing discussions and recommendations from the group:

- Adopt the National Education Goals Panel definition of School Readiness, which identifies three components that define school readiness.
 - Children's readiness for schools.
 - Schools' readiness for children.
 - Family and community supports and services that contribute to children's readiness for school success.
- Expand the age group of School Readiness from prenatal to age 8, which corresponds with (1) the expectation that a child has mastered basic proficiency in reading; and (2) certain milestones in a child's physiology and psychology that readies them for the next phase of maturity.

Organization of Work

Calendar

The School Readiness Working Group has scheduled seven meetings, three of which have already been held. All meetings have been scheduled in Sacramento and have been, or will be convened on the following dates: March 23, May 25, August 2 and 3, September 28, October 25 and 26, December 7, and January 25 (if necessary).

Background meeting materials

Prior to each meeting, the leadership team has forwarded to each working group member selected pertinent research, summaries of exemplary early education programs in California and other states and countries, and various government and foundation reports that highlight issues and promising practices in early education. These reading materials have served to focus the members on existing successes that may serve as a foundation for establishing a comprehensive early learning system for California.

Guest speakers

The working group seeks to enhance its discussions by inviting experts to present materials in one or more of the topic areas being addressed by the group. In August, the group invited Dr. Deborah Reed of the Public Policy Institute of California to address the changing demographics of California, to provide the group with an updated picture of California's increasingly diverse culture. In October, Dr. Frank Gilliam of UCLA has been invited to address the working group on the framing of public engagement strategies to increase public will regarding the establishment of a cohesive early education system in California.

Decision making process

In its first meeting, the working group discussed a preferred approach to meeting its charge within the timeframe provided. The group consensus was to (1) establish a work plan and a set of principles to guide them in their deliberations; and (2) draft a Table of Contents to help the group identify and categorize issues and recommendations regarding early education. From these documents, the working group identified fourteen issue areas requiring discussions and decisions for inclusion in the School Readiness Report. Each of the fourteen discussion points falls into one of five key recommendations that will be contained in the report. The five key recommendations are:

Recommendation #1: Consider the whole child: Base California's learning system on a comprehensive understanding of school readiness that addresses all dimensions of development.

*Recommendation #2: **Assure quality and equity:*** Assure that all services for young children are of high quality and equitably available.

*Recommendation #3: **Build a system:*** Create an early learning “system” for California’s children—a multi-faceted, integrated, collaborative effort by many institutions to meet the full range of children’s needs.

*Recommendation #4: **Manage the system:*** Build state, county, and local capacity to manage, deliver, evaluate, and continuously improve California’s early childhood learning system.

*Recommendation #5: **Strengthen partnerships:*** From the outset, engage all Californians and create partnerships among all groups who have a stake in school readiness.

Use of subgroups

The School Readiness working group membership, while large, is intended to be very inclusive of experts and practitioners who work in the systems that touch young children’s lives. Its 66 members form a cadre of professionals ranging from child care practitioners and advocates, researchers, preschool and K-6 teachers, school administrators who have a history of innovation on their campuses, business and foundation representatives, health professionals, and parents who have become active in their children’s schools and communities.

Guiding the work of the group is a leadership team that consists of two of our CCFC Commissioners, Dr. Karen Hill-Scott (serving as Chair of the working group), and Susan Lacey (serving as our work group’s liaison to the state Commission); Jane Henderson, Executive Director of the State Commission; Emily Nahat, Director of the State Commission’s Program Management Division; Judy Stucki, staff consultant; Dr. Sharon Lynn Kagan, early education consultant; and Rima Shore, our principal writer.

In addition to the meetings of the entire working group, a series of subgroups have been formed to facilitate discussion on each of the fourteen issue areas identified by the full group that fall within five key report recommendations. The subgroup determines from its discussion what specific recommendations and strategies to bring forth to the entire working group for consideration and adoption in the report. The fourteen issue areas are:

- Accountability, including assessment and data collection.
- Continuity and transition from early education into K-12.
- Facilities/Licensing and regulations.
- Family Empowerment (Support and Parenting Education).

- Family Leave.
- Finance.
- Governance.
- Health and Mental Health.
- High quality in all settings.
- "Kith and Kin" and informal care settings.
- Language, Literacy, and Pedagogy in a multilingual, multicultural society.
- Professional Development/Qualifications/Compensation.
- Public engagement.
- Strengthening partnerships.

A timeline, including due dates for the discussion of these issues by the entire working group has been developed to ensure that decision-making takes place for timely inclusion in the report.

Status of Deliberations After each issue is discussed and recommendations fashioned, the determinations that come from the working group as a whole are being drafted into sections of what will ultimately become the School Readiness Report.

At this juncture, it is premature to identify what specific recommendations will be included in the report. However, some issue areas are worth highlighting at this time to give the Joint Committee to Develop a Master Plan for Education some idea of the discussion that is or will be taking place in the near future.

Accountability, assessment, and data collection

The notion of assessment for young children is a controversial one. Assessment must be used for the purpose of tailoring instruction to meet the need of each individual child, and must not be used for labeling, tracking, or exclusion. Accountability measures must be used as correction measures, to improve instruction or for program evaluation, not as punishment. The working group will review existing assessment tools and accountability measures, identify data needs, and recommend a framework of accountability for early education that also addresses the needs in K-3.

Family Leave

Early attachment to a caring adult is so critical to a child's later development that the working group has decided to explore family leave as a family support. Infant care is the least available and most expensive type of care and many parents would prefer to stay home during their child's infancy.

Finance

The early education finance subgroup will discuss various financing models that address the problems of the existing financing system, which is complex, doesn't adequately address the needs of families, and creates a competition with K-12 for Proposition 98 dollars.

Governance

There is no cohesive or comprehensive "system" for early education in California. There are several fragmented or overlapping systems – social support systems, health systems, child care systems – and various governance structures at both state and local levels. The working group's goal is to build an integrated system that supports and educates families to address the needs of their young children. The working group will identify a governance structure that delineates lines of accountability and supports a family-friendly system.

Health and Mental Health

While the School Readiness Report will focus on early education, school, and family systems, it must be recognized that health is critical to the successful early development of a child's physical and emotional domains, which in turn contributes to cognitive development and school readiness. The group will make recommendations regarding health and mental health with the hope that the Legislature will help our colleagues in the health and social services fields follow up on these recommendations.

"Kith and Kin" and informal care settings

"Kith and kin" is defined as "close friend, neighbor, or relative". This form of informal child care is widely used and the fastest growing, but unfortunately, often the lowest quality and least supportive of school readiness development. The working group will examine and make recommendations about the state's subsidy of unregulated care, as well as identifying strategies to improve the quality of unregulated care and incentives to providers to become licensed.

Language, Literacy, and Pedagogy in a multilingual, multicultural society

Language acquisition is critical to the success of all students, and English language acquisition is critical to students who are English language learners. When and how English language acquisition should take place for young children will be the major work of one subgroup. The full working group will also look across recommendations being made for the other thirteen issues and ensure that all recommendations address California's diverse communities and their diverse needs.

Workforce Preparation and Business Linkages

Working Group

Executive Summary

This report reflects the deliberations of the group to date, starting with its *Group Charge* section and proceeding to five precepts identified for effective state programs, utilized as a touchstone for the group's consideration of issues and goals throughout discussions. It identifies the first three major areas of review by the group: integration of academics, alignment of the system, and systemic accountability, followed by the *Organization of Work* section. It moves through a brief history of state and federal policies and reforms which have lead to the current architecture of workforce preparation programs in California.

Under the *Status of Deliberations* section, the subsection on *Academic Integration* reveals the general conclusion of the group, which echoes a fundamental principle of this Master Plan effort, that all students should be better prepared for work and college. It enumerates preliminary recommendations which would enhance the acquisition of both academic and application skills across the full spectrum of students.

The *Alignment* subsection generally describes a faulty scaffolding for programs within and across systems of education. To create a more coherent system, the group is considering options ranging from the formation of numerous regional bodies to facilitate communication to the establishment of a statewide body to define the roles and responsibilities of career and technical education.

The final subsection, *Accountability*, displays the widest gap in the group's thinking around current practice and potential goals, particularly from the business perspective. It portrays a paradigm shift to allocation of funding toward effective programs instead of the historical practice of allocating resources based on past spending patterns or student head counts. For workforce preparation programs, success in this vein depends on the ability to document student achievement in acquiring appropriate workforce skills; to make both quantitative and qualitative evaluation of program effectiveness; and to identify which programs result in higher earnings and job placement for students. Review is given to expansion of the current workforce "report card" accountability measures to systems of education.

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Group Charge and Scope The Workforce Preparation and Business Linkages Working Group, comprised of educators and business persons, adopted the following charge as a starting point for its deliberations: *"to envision a comprehensive and coherent system of workforce preparation programs in K-University, which reconnects these programs to statewide academic standards and provides students a gateway to both employment and lifelong learning. It should link to accountability measures required for workforce preparation programs in other agencies, as well as hold programs across the systems of education accountable for responding to the demands of the labor market."*

In order to define boundaries for ongoing discussions, five precepts for effective state programs were presented in the initial meeting. Effective state programs should:

1. Target jobs with relatively high earnings, strong employment growth, and opportunities for individual advancement.
2. Contain an appropriate mix of academic education (including basic or remedial), occupational skills, and work-based learning.
3. Provide appropriate supportive services.
4. Provide their students with pathways or "ladders" of further education opportunities.
5. Collect appropriate information about results and use those data to improve their quality.

Organization of Work *Calendar*

The Workforce Preparation and Business Linkages Working Group has completed five of seven meetings. All meetings have been held in Sacramento and include the following dates: April 30, May 22, June 18, July 23, August 22, summaries of which may be found at the Master Plan web site. At least two additional meetings are likely to be scheduled in November and December in order to finalize the working group's report and recommendations.

At its initial meeting, working group members learned that since the mid 1960's, more people with higher levels of education are in jobs that were occupied by persons with less education in the previous decade. College graduates fill positions formerly held by high school graduates and high school graduates are in jobs once held by people with no high school diploma. The most recent report by the Employment Policy Forum, *The American Workplace 2001: Building America's Workforce for the 21st Century*, contends that, if the present trends continue, college educated, highly skilled workers will be in short supply. In ten years, the labor force will be short 3.6 million

workers who will need at least a bachelor's degree. By 2020, the number could be as high as 10.5 million.

Plummeting state test scores across the student population, particularly during a period in which students were required to have more substantial knowledge, as well as more technical workplace skills in a post-industrial economy, prompted immediate concern within the working group of the need for greater integration of academics into workforce preparation programs. As a consequence of this discussion, three broad topical areas were identified as parameters for focusing group discussion at future meetings: *academic integration, alignment of systems, and accountability.*

Background meeting materials

The working group consultant gathered information on the multiple programs and services that receive public resources (state and federal) specifically to prepare citizens for entry or re-entry into the workforce. Background materials were organized to provide basic information to group members pertinent to the topic(s) to be considered at each scheduled meeting, including: (1) numbers and types of workforce preparation programs operating in public education and in private employment sectors; (2) the amount of fiscal resources invested in these programs; (3) recent research on the components of effective workforce preparation programs; (4) best practices in other states; (5) the performance of vocationally-oriented students on traditional academic measures of achievement; and (6) the potential impact of technology for more efficient and effective delivery of instruction. The various reports may be found on the Master Plan web site (www.sen.ca.gov/masterplan).

Guest speakers

To foster greater understanding and probing discussion among the group, experts were invited to speak with group members about topics being considered. These experts included: Dr. Norton Grubb, Professor of Public Policy and Education at the University of California, Berkeley; Dr. Mike McCoy, California Department of Education; David Rattray, Co-Chair of the working group and Executive Director of Unite LA; Craig Mann, Program Director for Worldwide Community Relations for Selectron Corporation; Megan Juring, Workforce Investment Act Board; Rona Sherriff, Senate Office of Research; Bob Friedman, Director of the California Student Information System; John Mockler, Executive Director of the State Board of Education; Dr. Pat Ainsworth, Director of High School and Standards Division for the California Department of Education; and Ron Selge, for the California Community Colleges Chancellor's Office. In addition, Michael Ricketts, consultant to the Finance and Facilities Working Group; and Dr. Rafael Ramirez, consultant to the Student Learning Working Group were invited to brief the Workforce Preparation and Business Linkages Working Group members on the progress and priorities of their respective working groups, as they relate to workforce preparation.

Group facilitation

The perspectives of group members working in the traditional education arena and those that work in the private business sector differ radically in some areas, particularly with respect to time allotted to problem analysis and problem solving. The services of a professional group facilitator were secured and proved to be quite helpful in developing group cohesiveness and movement toward issue prioritization and generation of options to address high priority issue areas. Group members expressed a preference to conduct its business as a group of the whole rather than deploy subgroups that would engage in detailed discussion and report summaries back to the full group.

Status of Deliberations *Academic Integration*

Officials from the California Department of Education (CDE) reported that, nationally, the schools which are most successful in providing meaningful workforce preparation programs have standards-based curriculum and articulated curriculum across grades and segments. While many objections ensued regarding the "overemphasis" of college preparation in the current political environment, it was generally agreed that the more recent historical divide between college preparation and workforce preparation has to be greatly reduced.

Policy imperatives

Though appropriate for its time, the politically popular Hart-Hughes Education Reform Act of 1985, prompted by national alarm resulting from the Carnegie report, *A Nation at Risk*, with its iconic imperative decrying the "rising tide of mediocrity," firmly established an emphasis on academics and served to further distance vocational education from more college-oriented preparatory programs. The passage of Proposition 13, the 1978 Property Tax Reform Act, shifted the K-12 funding mechanism from local monies to the state coffers and forced vocational education, the 290 career academies, 72 ROC/Ps, and various adult education efforts in K-12 and the California Community Colleges to compete with academic programs over resources. Since 1980, nearly two-thirds of the state's vocational classes have been eliminated. California's array of workforce-oriented efforts has never recovered as California's high school programs became more focused on college-bound students in the closing years of the last millennium. The irony of this trend is that nearly half of California's high school students do not seek higher education upon high school graduation and the majority of those who fail to graduate at all will pursue non-college options.

Reform of the Carl D. Perkins Act sought to integrate vocational and academic curricula. However, evidence from the 1994 National Assessment of Vocational Education, conducted by the State Department of Education, revealed that these reforms did not have the desired effect on schools. Nationally, students on the

academic track scored at the seventy-first percentile on standardized tests, while the average score of their peers enrolled in vocational education was at the thirty-fourth percentile. Even on a test of industrial-arts knowledge, academic-track students scored higher than vocational education students.

Congress responded to the wide disparity in achievement between academically and vocationally-oriented students by establishing the School-To-Work (STW) Opportunity Act in May of 1994. The STW Act was intended to provide a framework for developing orderly, coordinated systems that enable students to effectively prepare themselves for successful transition to high skill, high wage jobs of the 21st century, as well as to postsecondary education and training. In California, this framework emerged in 1994 as the School to Career (STC) program. Its framework reflects a vision of a system designed to address all students in the system and provide pathways to high skill, high wage careers.

The Business Perspective

Business members of the working group repeatedly pointed out that all students would eventually be in the workforce and clearly communicated that too many of them lack the skills necessary for successful employment, even with possession of a baccalaureate degree. A 1988 National Alliance of Business survey of 430 CEOs of product and service companies, identified in the media as the fastest growing U.S. businesses over the last five years, found that 69 % of them reported the shortage of skilled, trained workers as a barrier to growth, up 10% from the year before. Total corporate spending on employee training is \$318 billion to \$417 billion per year. The California Economic Strategy Panel's April 1996 report, *Collaborating to Compete in the New Economy: An Economic Strategy for California*, found that among California employers, the most important expectation of government was not regulatory change, tax reform, or infrastructure development, but a better qualified workforce.

The resurgence of the California economy has been largely driven by rapid growth in key science and technology fields. However, preliminary data from a pending California Council for Science and Technology report indicate that the state is falling behind other high tech states in the production of graduates in science, mathematics, and engineering – disciplines that are vital to technology-based sectors of the economy. In the 21st Century, business is demanding individuals who have high degrees of academic knowledge (math, science, language arts) and who can apply that knowledge in the fast-paced, high-skilled technology-rich workplace. They must be able to engage in critical thinking, problem solving and working in teams. The declining contribution of California's educational institutions to providing adequate numbers of workers prepared with the skills needed for technology-based jobs has prompted employers to seek new employees from other states and countries.

Status: It was generally agreed that providing *all* students the opportunity to achieve their highest academic potential enables them to pursue greater economic prosperity over a lifetime, better serving them and society. The group agreed this was consistent

with two major organizing principles of the Master Plan Framework, which address this goal:

1. Focus on the full spectrum of students in the K-16 system in California.
2. Envision a governance and programmatic model that is responsive to the needs of the learners in each system.

In a subsequent meeting, the group brought the academic discussion into focus by developing responses to the following question in small and large group formats: *"What can the K-16 educational system do to ensure a higher academic performance by students in workforce preparation?"*

More than 60 points emerged from the facilitated discussion of this question. These points were grouped into seven clusters and a "gap analysis" was conducted for each cluster to distinguish between what currently exists and the intended goal.

- Students should have exposure to career options throughout their education tenure, beginning in first grade. A gap analysis revealed the current School-to-Career effort (federally funded) is phasing out and the decline in the state economy obliterated any chance for backfill in this year's budget or expansion of career experiences to lower grade levels.
- Resources for career guidance and assistance to students should be greatly enhanced. A gap analysis revealed very little current funding for this approach. In addition, there is no consensus on what types of career guidance and assistance are appropriate or desirable for each grade level, how much additional resources would be needed, or how best to phase in expanded programs and services over time if additional resources were made available.
- The state should establish standards for workforce skills to complement academic standards. A gap analysis revealed that individual business and industry skill standards are available from national sources in most disciplines. However, there is little in the way of state workforce standards. WestEd Labs, with help from teachers/administrators, has developed Industrial Technology standards, known as the "Red Book," which is now a published document at CDE, but has not been officially adopted (cost of statewide implementation is estimated to be about \$6.5 million).
- There should be alignment of contextual teaching/learning throughout the education system. The gap analysis revealed there is little statewide coordination or collaboration in this area currently. The most comprehensive effort, established at CSU, Hayward, is in its second and last year of funding for six STC regional partnership teams, each receiving approximately \$20,000 annually. The funding supports collaborative, intersegmental faculty projects to improve transitions between K-12, postsecondary education, and the workforce.

- There must be a significant increase in workforce preparation teachers and counselors. A gap analysis reveals a major shortage of workforce instructors and an even greater shortage among counselors trained for career preparation guidance. Salaries within their respective industries are much higher and mitigate against trained professionals selecting employment in the education sector. Prescriptive education code and California Commission on Teacher Credentialing regulations are also major obstacles to entry. Prospective candidates, including retired industry individuals, cannot gain sufficient credit for industry experience on salary schedules.
- Elevate status of career technical programs. The gap analysis focused on the approval process for career technical education courses to meet university “A-G” entrance requirements. Group members found the process lengthy and inconsistently applied. UC and CSU no longer recognize career technical education courses as approved electives, even though many of these same program areas are offered as majors at their campuses. Beginning in 2003, courses in career education will not be recognized for admission by UC or CSU, nor will the grades earned in those courses be counted for admissions eligibility, relegating the courses to “second-class” status. Finally, the Academic Performance Index does not include measurements for career technical programs.
- There is an immediate need for increased political and systemic leadership in workforce preparation. A gap analysis reveals that leadership is sporadic and diffused across the education system and agencies. Workforce preparation in education is an “on-again/off-again” item on legislative radar screens.

Alignment

The group discovered that almost two decades later, the lament of numerous reports utilized by the Master Plan Commission of 1987 still rings true. It is best captured in a 1983 Assembly Office of Research report, *Training Tomorrow's Workers*, which says: “California's employment preparation programs and activities are isolated efforts that suffer from duplication and a lack of coordination”.

This sentiment was echoed by an official from CDE, who discussed the history and linkages among programs in the education system and reported on the low degree to which the systems work together. He elaborated on how each segment is reliant on the others despite the reluctance to engage in statewide articulation efforts. He further pointed out that the adoption of state curriculum standards has changed the articulation discussion and emphasized that systemic political structures must adopt policies and practices supporting articulation. Joint program planning is a must, and every system must accept ownership. He suggested the group consider establishing regional bodies to facilitate communication and that state policy is needed to define the roles and

responsibilities of career and technical education (the contemporary moniker for vocational education).

Representatives from the California Community Colleges recommended the group find a way to end the bifurcation of academic and career education and recommended the current interagency agreement with the Employment Development Department and other agencies be better utilized. However, little insight was provided regarding the linkages with CDE and the success of articulation efforts – the only avenue of alignment among the systems currently available.

Articulation is broadly defined as the linking of two or more educational entities within a community to help students make a smooth transition from one level to another without experiencing delays, duplication of courses, or loss of credit. While California, prompted by 1992 state statutes, has made some progress with articulation for general education, and federal School-To-Work funds have provided incentives for articulated programs and course sequences in career and technical education, student testimony to the Joint Committee last year revealed a high level of inattention by the segments in this area. Ideally, there should be a systemwide approach. Currently, unique bilateral agreements between community colleges, CSU, and UC campuses result in thousands of articulation agreements through which students must navigate to pursue their educational objectives – a path that is further complicated by each change in choice of educational major or preferred transfer campus.

Such a situation certainly does not focus on the best interests of the students. Allowing students to move more expeditiously through the system would enable them to achieve more effective educational planning. Dale Parnell, author of *The Neglected Majority*, states that: "...articulation, as an attitude, is exemplified by the willingness of educators in all sectors to work together to transcend the individual and institutional self-interests that impede the maximum development of the student."

A Win-Win Experience, by Dan Hull, states: "Good programs are not going to evolve by simply redefining (redrafting) what we're already doing, maintaining horizontal and vertical barriers between isolated sectors of the educational process, and hoping that the American employers will be satisfied with what educators think is best for the students and the new labels that are applied to them. A new synergism must be developed at the local and state levels – to make significant and appropriate changes in curriculum, cooperation, and coordination." These messages resonated strongly among members.

The STC Interagency Partnership is currently funding the Intersegmental Faculty Articulation Projects in Contextual Learning (ISFA). ISFA funds 6 pilot projects statewide that encourage articulation between the educational segments that provide "best practices" for K-18 admissions and articulation activity, with the goal of improving transitions between K-12, postsecondary education, and the California workforce. The project ends in 2002 and could serve as a model for regional collaboration.

Status: Discussion of the feasibility of establishing either a statewide body or regional entities to better align academic and career and technical education remains controversial. A number of group members related “regional” to prior federally-established programs, particularly disliked by the education establishment. One major concern was that a regional approach would result in the loss of campus autonomy. It was also stated that regionalism probably does not fit well with articulation, but seems a better fit between education segments and the employer community. Some agreement was reached around an approach, such as the Workforce Investment Act “One-Stop” centers, which are statewide and unified, but greater consensus seemed to developing around a statewide oversight body.

Accountability

Business members of the working group reported that contact with industry among the segments in education was not good. Members first identified elements of accountability that would provide a more effective system of workforce preparation by reflecting on what it might look like in 2010. The following goals evolved from that discussion:

- There should be a regionally based system of accountability.
- Course work should be expanded across systems (UC internships included).
- Industry and other levels of faculty must be better integrated into the system.
- The accountability system should focus on closing the achievement gap, with particular emphasis on the transition from middle school to high school.
- Greater faculty collaboration should be a major focus.

In exploration of methods for holding workforce programs accountable, business members of the workgroup sought input from the Senate Office of Research, which reported on SB 645 (Johnston), 1996 legislation that created a performance-based accountability system to measure the outcomes of publicly funded workforce preparation programs. The resulting "report card" was released in January and measured employment rate, retention, earning gains, and change in status from tax receiver to tax payer. The author's intent to use the report card as the basis for making discretionary spending decisions at state and local levels on workforce preparation programs was an important factor for consideration by business members. Discussion of this report card revealed numerous difficulties involved in the implementation of the report card, i.e. difficulty in establishing common definitions and criteria, given the fact that programs have different missions and a mix of clients.

As focus shifted to the educational system providers of workforce preparation programs and services, a number of concerns were raised.

- Education must avoid the practice of "creaming", as happened in welfare reform. This practice involves using only the more successful scores in program reporting.
- An accountability system should focus on how a program changes over time, and the state should build in incentives for improvement.
- The greatest challenge will be defining a course of study – the more narrow the definition, the better the results. The state must avoid this.
- It is important to link accountability to labor market information.
- California should develop a regional approach to addressing labor market needs.
- There needs to be a clearing house for community/business information needs.
- Decisions need to be made at the local level. The California Workforce Investment Board is state-heavy.
- There is an almost “maniacal” focus on transfer to higher education at the community college level.
- Many people come to community colleges with degrees – obviously in search of other training.
- The measurement of success in WFP is more complex than just standards testing, i.e., it should be competency-based.
- There is already an incentive “system” in education – it rewards enrollments, not effectiveness.

Information systems

In order to eventually measure program accountability (however defined), the state must have the capability to follow students throughout a number of venues. A number of states have used students’ social security numbers (SSN) to track them from graduation to higher education, the workforce, and the military. Political interests have prohibited the use of the SSNs in many states, including California. The California Department of Education maintains that the state Constitution places primary emphasis on privacy. Therefore, the current student data system, California School Information System (CSIS), generates a random student identifier number (linked to the SSN), which could eventually be tied to the tracking systems utilized by higher education entities. However, CSIS has been set up as a voluntary K-12 effort in California – mainly to avoid excessive future state-mandated costs. Little more

than 10 percent of students are currently captured in its system. Additionally, its funding is scheduled for only two additional years, portending some uncertainty about future expansion.

Financial incentives

A funding principle, currently under consideration in this Master Plan effort, is the consideration of directing resources to effective programs instead of the historical practice of allocating resources based on past spending patterns or student head counts. For workforce preparation programs, success in this vein depends on the ability to document student achievement in acquiring appropriate workforce skills; to make both quantitative and qualitative evaluation of program effectiveness; and to identify which programs result in higher earnings and job placement for students.

Several points about K-12 funding issues, specific to California, were thematic throughout discussions. For instance, the Master Plan must consider to what degree state oversight drives program costs; members specifically cited The Field Act, which establishes more stringent building code requirements for school facilities than it does for other public buildings.

Attention also shifted several times throughout discussions to concerns about higher education. Business members were particularly critical of higher education in California, contending that all three segments need to more readily respond to the changing economy on a region by region basis, especially in urban and rural areas. They emphasized that tools of technology need to be utilized more extensively, and priority should be given to the development of multimedia software to complement basic skills instruction for on-campus students and distance education.

While community colleges attempt to link their vocational programs to economic conditions, and UC and CSU somewhat engage in strategic enrollment management, all three systems should give more explicit and systematic consideration to the state's economic needs, as a key factor in program planning. It was also noted that the Legislature and Governor need a more flexible higher education funding policy to better adapt budget priorities to changing economic conditions.

According to the universities, costs for instruction in areas critical to many of California's workforce needs have outpaced the support available. They contended specific strategies are needed to ensure that colleges and universities are able to recruit and retain faculty and technical staff in high demand fields, to provide advanced information technology infrastructure, and to purchase and maintain sophisticated laboratory equipment. Inadequate resources in these areas contribute to extended time to graduation, high attrition rates and enrollments below the levels required to stabilize the workforce.

In resonance with the fiscal principle of funding effective programs, a number of members took the position that higher education systems should be driven by

performance rather than enrollment. Funding should reflect an investment model vs. an entitlement model. In service of this direction, the following goals were put forward for policy and funding considerations:

- Focus on completion and time-to-completion rather than full-time equivalent students (FTES).
 - Track numbers of students completing degree and certificate programs.
 - Identify average starting salary of graduates.
 - Identify number and kinds of degrees/certificates awarded annually.
 - Develop a research based information system.
-

Final decision- making process

The Working Group has reached general consensus regarding preliminary recommendations in each major area. Over the next few months, deliberations will continue on-line regarding: evolving staff research of current information systems, delineation of roles and responsibilities within the structures of workforce preparation programs, and the pros and cons of statewide vs. regional systems in order to elicit further recommendations to propose for final adoption in November and December.

Emerging Modes of Delivery, Certification, and Planning Working Group

Executive Summary

With the development of a Master Plan for Education, the State has an opportunity to develop policy that supports innovative strategies for delivering education in a manner that is most amenable to learners. Emerging technologies have drastically broadened how and where instruction and learning are taking place. The development of technology-based assessment tools, community-based partnerships, charter schools, distance learning, and certification programs are impacting all educational segments. A primary goal of the Emerging Modes of Delivery, Certification, and Planning Working Group is to determine how to best take advantage of these emerging technologies and trends. The working group consensus is that technology should not be viewed in isolation but will be a connecting theme that permeates virtually all recommendations that find their way into the group's final report. Moreover, the Master Plan being developed should coordinate its recommendations with the five-year plans of the California Commission for Technology in Learning, with the Master Plan focusing on the broader long-range planning needs of the state.

The working group is also considering ways in which a system might be devised for certifying learner competencies – recognizing that people learn in many venues other than formal educational institutions – and that would permit customization of student learning experiences to expedite achievement of their educational goals.

Accurate, longitudinal data is critical to effective long-term forecasting and planning in education and elsewhere. The working group believes that specific issues to be addressed in terms of long-term planning should include: student access to teaching and learning opportunities; demand, supply, distribution, and retention of teachers and faculty; maintenance, renovation, safety, and replacement of physical facilities; evaluation of the quality of teaching and learning opportunities throughout the state; success of students in achieving specific competencies and educational objectives; effectiveness and currency of materials used in support of teaching and learning; and the impact of new policies on any or all of the above.

California operates the largest public adult education system in the nation, yet there continues to be overlap and inconsistency in the quality of services available from the two largest providers: the California Department of Education and the California Community Colleges. Options for establishing uniform standards for programs and instructors, as well as improving coordination with other educational providers and articulation with credit bearing courses are key topics of discussion. The following report provides greater detail on the Group's deliberations to date.

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Group Charge and Scope The charge of the Working Group on Emerging Modes of Delivery, Certification, and Planning is to identify and recommend policies that will enable California to draw upon its genius for innovation, especially technological innovation, to address specific challenges facing its public education system.

Specific issues to be explored by this working group include the following:

- Identify ways in which emerging information technologies can facilitate a more efficient and effective distribution of education services, and a more cost effective use of facilities.
- Identify sensible, long-term remedies for ongoing systems planning, for the modeling of reform alternatives, and for short and long range forecasting of educational change.
- Identify ways to better coordinate the administration and delivery of noncredit and adult education.
- Identify methods for certifying learner competencies that are highly responsive to learner needs and permit customization of student educational plans that can expedite achievement of their educational goals.
- Identify best teaching and learning practices from emerging organizational forms, e.g., charter schools, home schools, distance-learning programs, and explore how these best practices can best be replicated systemically.

Organization of work *Calendar*

The working group, comprising 36 members, is scheduled to meet monthly throughout the state through February 2002 to address the topics described above. One of these topics will be addressed at each meeting with the last meeting, in February, dedicated to refining and finalizing recommendations prior to presenting them to the Joint Committee. Meetings are structured to support the development of three products: a set of principles, models/examples, and preliminary recommendations for action. Updates on the status of development for each topic are provided at meetings.

Background meeting materials

The full group meets monthly to address assigned issues. In some cases, subgroup meetings may be held on topical areas in advance of full working group meetings to provide a strong foundation for member discussion. Several members of the working group have agreed to lead subgroups and prepare discussion papers for each topic to both inform and assist the deliberations of the full group. These papers will serve as

working drafts over the next several months and will be updated to reflect models, options and recommendations.

In addition, the working group consultant gathers additional information on existing practices and/or data relevant to the topic(s) under consideration for each scheduled group meeting. When appropriate, the consultant takes steps to secure expert presenters to inform the deliberations of the working group and to participate in topical discussions.

Continuous discussions

A ListServ has been established to facilitate member dialogue and discussion between scheduled meetings of the group. This ongoing discussion serves both to keep members attentive to the topical issues they have been asked to address and to encourage more focused conversation during the time available at scheduled meetings.

Guest speakers

The following are among the guest speakers to date for the Emerging Modes of Delivery, Certification and Planning Working Group: Karen Steentofte, California Commission for Technology in Learning; Bernard Gifford, Distributed Learning Workshop (and Working group Co-chair); August Cubillo, California Postsecondary Education Commission; Leonard Napolitano, Sandia National Laboratories (and Working group member); Peter Eliasberg, American Civil Liberties Union; Anne Padilla, Commission on Teacher Credentialing; Steve Mills, WestEd; Sharon Brannon, California Council on Adult Education; Sandra Steiger, Adult Education Administrator's Association; Rudolph Kastelic, Association of California School Administrators; Patricia Rickard, Comprehensive Adult Student Assessment Services.

Guest speakers will continue to be invited to participate in working group meetings, as appropriate, to help establish foundations, stimulate discussion, and add value to the deliberations.

Decision making process

Up to this point, the group has developed preliminary recommendations based on general consensus. When the working group gets to the point of adopting recommendations in January and February, for which consensus may be more difficult to obtain, more formal operating procedures may be followed.

**Status of
Deliberations** *Technology*

The working group discussed the potential for information technology to assist the State in developing new kinds of service channels or venues for the delivery of education. Discussion focused on how applications of technology might help public education agencies to reduce dependency on costly brick-and-mortar facilities. The consultant to the Finance and Facilities Working Group explained the current and prospective challenges with respect to the State's ability to keep pace with its school facilities needs.

Staff to the California Commission for Technology in Learning offered an overview of the Commission's agenda and timeline, and it was agreed that the Emerging Modes Working Group and the Commission should maintain contact and coordinate their efforts wherever appropriate. Next year, the Commission will update the State's five-year Master Plan for Education Technology, and the working group agreed that the Joint Committee's Master Plan, with respect to longitudinal planning for technology, would do well to pick up where the Commission's plan leaves off. This would result in the Commission taking the lead on specific short-term policy and the Joint Committee, through the recommendations of the Emerging Modes Working Group, concentrating on broader long-range planning.

Members agreed that, whereas present institutional provisions for education may be inadequate to meet anticipated challenges, nonetheless, emerging practices and technologies hold promise for equipping the State to meet its needs. These practices and technologies warrant further examination by the group. Members agreed California's Master Plan should not shy away from addressing the enormous scope of this challenge.

Status: Technology is a connecting theme that will permeate all the recommendations of the Emerging Modes Working Group. The Co-chairs are taking a leadership role in identifying innovative technology models for the group. A discussion draft will be developed with member input and provided to members in advance of the November meeting, which will focus on the development of preliminary technology recommendations.

Forecasting and long-term planning

The working group discussed California's capacity for developing a comprehensive systemic method for educational forecasting and long-term planning. Currently, the State of California does not have a centralized or coordinated system for educational forecasting and long term planning that covers kindergarten through university. A

coordinated approach to forecasting and planning, along with a centralized oversight body, may help to mitigate systemic problems, e.g., teacher and facility shortages.

Goals of a systemic educational forecasting and long-term planning system include identifying ways to: structure a cohesive system of schools, colleges and universities that places a priority on the learner and embraces accountability; identify the data needed to manage and evaluate the effectiveness of a public education system that is learner driven; facilitate long-term systemic planning to ensure the educational needs of students and teachers are being met; ensure there are sufficient facilities and other venues to educate teachers and students; prepare the state to adequately respond to the changing needs of businesses and the economy, to technological changes, and to changes in public policy; and to make better use of public education funds through informed decision-making.

The broad components of schools, colleges, and universities that are most amenable to effective planning and forecasting activities include: students/learners; teachers/faculty; physical/capital facilities; and instructional/support materials.

Specific issues to be addressed in terms of long-term planning should include: student access to teaching and learning opportunities; demand, supply, distribution, and retention of teachers and faculty; maintenance, renovation, safety, and replacement of physical facilities; evaluation of the quality of teaching and learning opportunities throughout the state; success of students in achieving specific competencies and educational objectives; effectiveness and currency of materials used in support of teaching and learning; and the impact of new policies on any or all of the above.

Effective planning requires a variety of data to inform decisions, much of which is not currently collected or easily accessed in usable form. Recommendations on ways to remedy these data deficits should minimally consider the following questions for each of the major components of educational institutions.

- Ideally, what goal(s) should a state data system seek to support for this component area? What are the data elements needed in a database to support effective planning and forecasting in this component area?
- What is the appropriate unit of analysis for state planning purposes?
- What are, or have been, the barriers and impediments to developing such a data system in this state for this component area (e.g., privacy issues, structural issues, turf issues, cost, interface with existing systems) and how might they be overcome?
- What are the long-term possibilities beyond the immediate goals?
- Where should such a data system be located (state agency, regional or local agencies, private entities, etc.) and why?

To provide members with an overview of current efforts, they heard from individuals representing different facets of the educational system and others interested in the potential development of a systemic educational forecasting system.

Members discussed issues ranging from what data elements would be needed to who would provide oversight. Members agreed that the size, scope and importance of California's public education sector is too critical to allow the current situation to continue unaddressed. In addition to existing models, members discussed the possibility of creating a new organizational entity, whose responsibility would be to assume leadership and coordination of the State's educational data collection and analysis activities.

Status: There is a growing consensus among members that a new, independent coordinating and oversight body responsible for California's entire education system should be established. The oversight body would work closely with the Governor, Legislature and a representative cross-section of educational and public interest groups to identify the types of data required to enlighten, guide, monitor and continuously improve the quality, effectiveness and responsiveness of California's publicly financed schools, colleges and universities, and to inform policy makers. A discussion draft has been developed and will continue to be updated in an effort to provide members with additional information while recommendations are in development. Ongoing research includes identifying potential oversight models, and best practices from other states.

Adult Education

An Adult Education subgroup of the Emerging Modes Working Group met with invited representatives of non-credit and adult continuing education providers. The subgroup discussed national and state level efforts and reviewed the December 1998 report of the Joint Board Task Force on Non-credit and Adult Education (Joint Board Task Force), *Challenges, Opportunities, Changes*, as well as other source documents, to assist in facilitating the discussion. A copy of this report can be viewed at www.otan.dni.us/webfarm/jbtf/challenges1998.pdf.

California operates the largest public non-credit and adult continuing education system in the nation. Two state agencies, the California Department of Education and the Chancellor's Office of the California Community Colleges, oversee adult and noncredit education. Program categories provided by both segments include: English as a Second Language; Elementary and Secondary Education Basic Skills; Short-term Vocational Education; Adults with Disabilities; Older Adults; Home Economics; Health and Safety; Parenting Education; and Immigrant Services.

Some of the questions related to the future of noncredit and adult education that will be explored include the following:

- What are the factors, fiscal or otherwise, that impact effective service delivery?
- How can quality standards and accountability be ensured for all programs and providers?
- What are the advantages and disadvantages of continuing to have both the Community Colleges and K-12 provide extensive adult education programs?
- What are the advantages and disadvantages of a single entity being assigned responsibility for administering adult noncredit and adult education?

Subgroup participants discussed supporting and expanding on the recommendations adopted by the Joint Board Task Force, including the recommendations to develop a coordinated data system for adult education. Currently, adult schools and community colleges are collecting large volumes of data on students, but the software systems do not ‘talk’ to each other. Collaborative efforts need to be made to ensure that there are standards for common data collection, that a data element dictionary is developed with common definition of terms, and that the information generated is shared among agencies to use in defining their current populations and their needs, as well as for forecasting future populations and needs. This effort should be included as part of the Working group’s planning and forecasting recommendations. Additional topics discussed by subgroup participants for consideration by the full working group included the following:

- The feasibility of establishing reciprocity for instructors of non-credit and adult education courses (some instructors do not meet the requirements to teach in both systems).
- Developing standards for the four areas of non-credit and adult continuing education for which standards do not currently exist (Short-term Vocational Education, Home Economics, Health and Safety, Immigrants), and where they do exist, expanding the standards to include student performance measures such as those developed by the National Skills Standards Board.
- The need for training on the revised model program standards. This could be done by the Department of Education and the California Community Colleges Chancellor’s Office, in collaboration with noncredit and adult education providers.
- Establishing a common set of foundational skills similar to those developed by the National Skills Standards Board for all adult education programs. These foundational skills could become the basis for issuing certificates of competency that would benefit students, teachers, and potential employers by affirming that

students have demonstrated competency according to a uniform set of standards. Such certification would enable students to transfer among programs smoothly.

- Requesting the Joint Board Committee (JBC) (established to carry out the recommendations of the Joint Board Task Force) to (1) review the current categories for non-credit and adult continuing education to ensure that they meet present and future needs; (2) research new methods for delivery of instruction such as Location Independent Teaching and Learning, and create proposals to authorize the use of those methods; (3) analyze the extent of the need for work-based education to be provided in non-credit and adult education, provide model practices and/or examples that encourage local collaboration, and develop policy and/or legislative options regarding work-based education.
- Authorizing the redistribution of unused Average Daily Attendance (ADA) revenues. Community Colleges currently have the ability to redistribute unused revenues. School districts that experience one-time drops in enrollment but recover in the following years could have their ADA restored from the annual growth allocation.
- The potential benefit of having the California Department of Education and the California Community Colleges Chancellor's Office conduct a study regarding the costs associated with any implementing recommendations on changes to the adult education system that may be advanced by this working group.

Status: A discussion draft, including potential recommendations, has been developed and will continue to be updated in an effort to provide members with additional information while recommendations are in development. This draft, and the recommendations, will be discussed at the January meeting.

Assessment and Certification

The following background information was provided to members on this topic. In shifting the focus of state efforts from institutional inputs to individual learner outcomes, the state recognizes that learning can, and frequently does, occur outside of traditional schools, colleges, and universities. Consequently, it is essential to consider ways in which the actual levels of a student's achievement in specific areas can be measured reliably. To the extent that students are expected to attain multiple competencies constituting a "foundational set", it will be of vital importance to provide an accurate, on-demand portrait of the learner's strengths and weaknesses. Adoption of a system for certifying learner competencies would be highly responsive to learner needs and permit customization of student educational plans that can expedite achievement of the educational goals they have established for themselves. However, such a system would likely be viewed as incompatible with traditional modes of educational delivery, with its emphasis on seat time and accumulation of

credits, and may require that the state confer status and legitimacy on the system for it to achieve broad acceptability. Emerging assessment and information technologies, as well as the methods employed by third-party private-sector training providers, may suggest efficient means with which to certify — and even accelerate — learning as it actually happens.

Status: An Emerging Modes Working Group member with expertise in this area is in the process of developing a discussion draft on the status of assessment and certification to support these alternative methods. This topic will be the focus of the Group's October meeting.

Emerging Organizational Forms

Members will discuss best practices from emerging organizational forms, e.g., charter schools, home schools, distance learning programs, and explore how these practices can best be replicated systemically in California.

Status: Staff is in the process of conducting research to identify experts, and effective practices in other states. A discussion draft will be developed and topical experts will be invited to participate in the December working group meeting, which will focus on emerging organizational forms.

Professional Personnel Development Working Group

Executive Summary The charge of the Professional Personnel Development Working group is to develop a strategy aimed at ensuring a future supply of fully qualified and prepared teachers, faculty, and administrators throughout the state for every student. This includes providing that the students and schools with the greatest challenges will have access to the most talented teachers.

The logistics and actions undertaken by the Working Group in its meetings include expert testimony, review of background materials, and extended debate and discussion. The Working Group has heavily relied on a subcommittee, or “small group,” process to develop policy ideas and make recommendations. At progressive stages during the year, small groups devoted to priority setting, brainstorming, and the development of recommendations have been formed.

The Working Group has agreed on the definition of what a qualified teacher should be, and has developed preliminary recommendations for the recruitment and equitable distribution of qualified teachers. Policy options are also currently being drafted for K–12 teacher preparation; college/university faculty preparation and professional development; ongoing professional development for K–12 teachers; and administrator recruitment, preparation and professional development. In the coming months, nine small groups, formed in response to a survey of group member priorities, will also develop and submit recommendations for review and selection by the full Working Group.

In the following pages, the Professional Personnel Development Working Group provides (1) a listing of its membership; (2) the group’s charge; (3) its organization of work; and (4) a summary of group deliberations to date.

**Group
member-
ship and
affiliation**

Gary Hart, [*Chairperson*]
Founder,
The CSU Institute for Education Reform

Alfonso Anaya
Superintendent
Alisal Union Elementary School District

Constance Carroll
President
San Diego Mesa College

Dan Condrón
Public Affairs Manager, Sonoma
County Divisions
Agilent Technology

Sandy Dean
Teacher
Shepherd Elementary School

Leslie Fausset
Chief Deputy Superintendent for Policy
and Programs
California Department of Education

Margaret Gaston
Co-Director
Center for the Future of Teaching and Learning

Gus Guichard
Vice Chancellor for Human Resources
California Community Colleges
Chancellor's Office

Mary Hurley
Teacher
Oakland Arts Magnet School

Mary Lewis
Director Teacher Certification Unit
Los Angeles Unified School District

Lionel "Skip" Meno
Dean School of Education
San Diego State University

Donald S. Raczka
President
Poway Federation of Teachers

Norma Rees
President
CSU Hayward

Arthurlene G. Towner, [*Vice-Chairperson*]
Dean, School of Education and Allied Studies
CSU Hayward

Harold Boger
Teacher
Crenshaw High School

Manuel Colon
Teacher
Los Angeles County Office of Education

Rudy Crew
Executive Director
The Institute for K-12 Leadership

Betsy Eaves
Director Academic Support
Reading Lions Center

Eugene Garcia
Dean Graduate School of Education
UC Berkeley

David Gordon
Superintendent
Elk Grove Unified School District

Judith Hopkinson
Regent
University of California

Lance Izumi
Director, Center for School Reform
Pacific Research Institute

Leslie Littman
Teacher
William S. Hart High School

Patricia Potter
Vice President
National University

Susan Rainey
Superintendent
Riverside Unified School District

Diane Robinson
Executive Director
Teach for America, Los Angeles

Maria Sheehan
Superintendent/President
College of the Desert

Lillian Tafoya
Board Member
Bakersfield City School District

Mary Vixie Sandy
Director, Professional Services Division
Commission on Teacher Credentialing
Colleges

Lucia Wedeking
Teacher
Sierra Middle School

Irene Sumida
Director of Instruction
Fenton Avenue Charter School

Henry Valdez
Human Resources Manager
Merced County Office of Education

Carrol W. Waymon
Board Member
Faculty Association of the California Community

**Group
Charge
and
Scope**

The specific charge of the Professional Personnel Development Working group is to map out a coherent plan for how the following broad goals can be attained:

- Every student will have the opportunity to learn from a fully qualified K-12 teacher or college and university faculty member.
- The state will ensure a sufficient future supply of K-12 teachers, college and university faculty, and K-university administrators with the qualifications necessary to promote student learning and achievement.
- Students and schools with the greatest challenges will have access to the most talented teachers.
- Teacher preparation programs will prepare teachers who are well versed in the subject matter they intend to teach and capable of effectively delivering instruction to a diverse population of learners, consistent with the state adopted academic standards.

In order to achieve these objectives, the Professional Personnel Development Working Group is engaging in the following tasks:

- Reviewing and analyzing existing and projected professional development needs for K-University teachers and administrators in California;
- Identifying strengths and weaknesses of existing professional development programs such as the Beginning Teacher Support and Assistance Program, California Professional Development Institutes, Peer Assistance and Review Program, and the Community College Leadership Development Institute;
- Analyzing compensation systems to better target resources for teacher/faculty recruitment, retention and professional development;
- Surveying other states for most effective practices and policies related to professional development;
- Identifying the data needed to enable policymakers to make informed public policy decisions; and
- Where possible, determining the estimated cost of implementing each particular policy option.

Organization of Work *Calendar*

Since January 2001, this working group has scheduled monthly meetings to focus on a series of key topical issues in professional personnel development. These issues include the following:

- K–12 Teacher Recruitment and Distribution.
- K–12 Teacher Preparation.
- College/University Faculty Preparation and Professional Development.
- Ongoing Professional Development for K–12 Teachers.
- K–12 Administrator Recruitment, Preparation and Professional Development.
- College/University Administrator Preparation and Professional Development.

The meetings generally have consisted of a pre-meeting review of papers, articles and writings, expert testimony and discussion. The working group has also frequently subdivided into smaller groups to discuss individual issues and develop recommendations for the full group to consider.

Expert testimony

Because so much attention is being directed toward teacher supply and demand nationally, as well as in California, the working group has sought to make extensive use of experts in the field. This approach has expedited understanding of the many initiatives already underway in this area and mitigated the possibility that the group will form conclusions and recommendations based on incomplete information. The experts that have addressed the group to date include:

- Mary Vixie Sandy, Director of the Professional Services Division of the California Commission on Teacher Credentialing (CTC), who provided a comprehensive report about the origins of SB 2042, the development phase of standards for teacher preparation, and a Teacher Performance Assessment.
- Sue Parsons, Director of the Teacher TRAC program at Cerritos College; Dr. Marie G. Schrup, Dean of the School of Education at National University; Dr. Belinda Karge, Director of the Department of Special Education at CSU Fullerton; Dr. Michele Lawrence, Superintendent of Paramount Unified School District; Nancy Ichinaga, State Board of Education member and former principal of Bennett Kew Elementary School, who provided perspectives on teacher training programs.
- Pat Hutchings, Senior Scholar, Carnegie Foundation for the Advancement of Teaching, who spoke about trends in teaching and learning nationally.

- Buzz Breedlove, from the Legislative Analyst's Office, who provided remarks regarding the role of the marketplace in the professoriate.
- Margaret Gaston, Co-Director, Center for the Future of Teaching and Learning, who spoke about the current state of professional development in California.
- Bob Polkinghorn, Assistant Vice President of Educational Outreach, University of California Office of the President, who talked about higher education's role in professional development.
- Leslie Fausset, Chief Deputy Superintendent for Policy and Programs, California Department of Education, who provided draft recommendations from the Professional Development Task Force.
- Dick Flanary, Senior Administrator, National Association of Secondary School Principals, and Bob Trigg, Former Superintendent, Elk Grove Unified School District, who commented upon (1) how the Master Plan can address any perceived leadership crisis; (2) what school leaders should know and be able to do; and (3) how desired leadership qualities can be supported, and by whom.
- Constance Carroll, President of San Diego Mesa College, who provided background about the Community College Leadership Development Institute (CCLDI) initiative.
- Don Gerth, President of California State University, Sacramento, who spoke about the CSU efforts to provide leadership training.

Background meeting materials

The consultant to the working group, in consultation with the working group chair, prepared informational and summary material on practices and policies being considered or initiated in other states to group members in advance of each scheduled meeting. These background materials were selected to be relevant to the topical issue(s) scheduled for each group meeting.

Continuous communication

To facilitate ongoing attention to the issues discussed at scheduled group meetings, regular group emails were exchanged between working group members and the group consultant. Minutes were shared electronically to remind members of the most recent discussions and questions posed for ongoing debate and discussion. This has fostered more sustained attention to issues of the working group than might otherwise have been the case and enables members not able to attend all meetings to remain engaged.

Small group activity

The Professional Personnel Development Working Group has found it preferable to conduct much of its work in small groups in order to generate richer discussion, with each group reporting back the essence of its discussion, and any recommendations for which consensus could be derived, to the full group. Small groups were organized around three essential functions.

Priority-setting groups – These sub-groups talked about key assumptions, important issues needing further exploration, and data needs. Three priority setting groups were formed during the first meeting of the working group to prioritize the topics that should be addressed in the areas of (1) K-University teacher/faculty recruitment and preparation; (2) K-University teacher/faculty professional development; and (3) K-University administrators.

“Brainstorming” groups – These sub-groups generally convened after presentations from expert guest speakers to probe the implications of what they had heard and their applicability to the California context. The small groups discussed at length the impact of institutional perspectives on the perception of the problem, the competing agendas of quality and quantity in schools of education, and the need for robust, ongoing data collection to inform a long-term strategy to improve and maintain teacher and administrator quality and quantity, particularly in hard-to-staff schools.

Recommendation development groups – These sub-groups were formed in response to a survey of group member priorities completed prior to the June meeting. Each of these sub-groups was charged with developing draft recommendations between working group meetings for consideration by the full group. Initially, five sub-groups were formed to develop recommendations in five priority areas previously identified by a group survey. These areas were subsequently expanded to allow involvement of all group members and reorganized to include nine areas.

1. Identify, train and support high quality principals for hard-to-staff schools.
2. Expand the teacher career ladder.
3. Establish partnerships between postsecondary institutions and districts with hard-to-staff schools.
4. Improve student learning by improving the quality of teaching and leadership at colleges and universities.
5. Recruitment of K-University personnel (recruitment of school principals addressed by sub-group #1).
6. Provision of incentives to attract qualified individuals to teach in shortage fields and to hard-to-staff school sites.
7. Identify underrepresented candidates early.

8. Reorganize schools, the school day, and school year to better facilitate student and teacher learning.
9. Find better ways to organize and structure K-12 professional development.

Status of Deliberations Described below, grouped by policy issue, are the concepts and themes discussed by the working group in its deliberations to date. In some instances, preliminary conclusions have been reached, though they are not finalized or endorsed by the full group. The working group will base its final recommendations on these discussions and the yet-to-be-completed work of its small groups, which will be reviewed and discussed this fall. Final recommendations will be determined by the end of the year.

K-12 Teacher Recruitment and Distribution

What is a “Qualified Teacher”?

The working group believed that it was necessary to define what a “qualified teacher” should be prior to determining how to ensure that all children have access to such a teacher.

- Teacher quality needs to be viewed as a continuous process throughout a teacher's career and not something solely determined by a credential. For those without credentials, it is absolutely essential that they have regular contact with instructional leaders at the school site and in teacher education programs in order to master subject matter and/or pedagogical knowledge.
- A qualified teacher should not only be skilled in subject matter and pedagogy, but should also be a member of a team of scholars who mentor one another based upon a school's common vision and goals, continuously discuss what works in promoting student achievement, and utilize data to improve their teaching effectiveness.

Equitable Distribution of Qualified Teachers

The working group discussed the state's responsibility to ensure an equitable distribution of qualified teachers. It was suggested that the state role could include the allocation and re-allocation of resources, state “audits” of districts employing teachers on emergency permits and waivers, a phasing-out of emergency permits and waivers, and a modification of collective bargaining law relating to the benefits of seniority in the assignment of teachers to a particular subject matter and/or school site.

The following policy options aimed at attracting qualified teachers to where they are needed were also explored, although potential responsible entities (e.g., state agencies, district, etc.) were not yet identified.

- Improve working conditions. While some members commented that this type of incentive is preferable to differential salaries and bonuses (e.g., \$20,000 bonus for National Board certified teachers to transfer to low-performing schools), there was not a consensus on this matter.
- Reorganize schools in such a way that teachers can successfully facilitate student learning. The group was cognitive of the fact that such an option would need to take into account the differences between schools and, therefore, offer some flexibility.
- Focus resources on improving the quality of school leadership, given that excellent leadership can be an incentive to attract and retain teachers in and of itself.
- Provide social supports to students so that teachers can focus on teaching and learning.
- Increase teacher compensation.
- Explore the viability of retirees from teaching and other professions as a source of teacher supply (beyond current levels of participation).

Recruitment, Retention, and Development of K-12 Teachers/Administrators

The range of issues considered by the working group in this area includes, but is not limited to, the following:

- Establish an independent state Teacher Quality Agency (TQA) to: (1) provide annual reports on teacher supply/demand findings and recommendations for addressing major disparity between the two for consideration by the Governor and Legislature; (2) contract for independent evaluations of state programs intended to address issues of teacher recruitment and distribution; (3) provide salary comparison information for teachers with other public employees and other similarly educated professionals; and (4) authorize program audits to investigate school districts that have large numbers (and/or poor distribution) of emergency permit teachers.
- Phase-out Emergency Permit teachers by a specified date. If such a deadline is imposed: (1) the state will need to expand its capacity to prepare additional teachers at the time that they are most needed; (2) the state may need to expand significantly its support for higher teacher salaries and its support for effective teacher incentive programs to attract qualified teachers to hard to staff schools; (3) school districts would have to give greater attention to addressing teacher salaries (including salary differentials), strengthening personnel office practices, improving school site conditions at unattractive schools (e.g., principal assignment, clean

bathrooms, better support staff, smaller class size, etc.) and have sufficient authority to make local decisions.

- Invest more in non-instructional time for teachers. The state should provide additional resources for teachers, beyond actual classroom instruction, to insure that they are able to engage in appropriate professional development activities (e.g. clinical supervision, mentoring, examination of student work, professional conferences, etc.). Such opportunities could result in teaching being viewed as a more attractive profession and thereby ensure that teacher recruitment/retention issues are more effectively addressed. This support could be provided through a variety of means including: longer school year (with some portion for classroom instruction and some portion for professional development), direct state support for additional days of staff development, or richer school site teacher staffing ratios so that appropriate professional time is available without adversely affecting student instructional time.
- Identify/train/support high quality principals for hard to staff schools. Good principals can make a big difference in teacher recruitment at hard to staff schools. State financial support for this work needs to be considered, just as we have many state professional development programs for teachers and classified employees.
- Support a tax increase targeted for teachers (perhaps through a ballot proposition). If the state sales tax were increased by just $\frac{1}{4}$ of a cent, it would generate more than \$1 billion dollars annually. Public opinion polls indicate that the public believes teachers are underpaid and that good teachers are the most important factor needed to improve our public schools; a tax increase directed to teacher salaries/support could conceivably pass through a ballot measure and could help ensure that teachers are treated similarly to other professionals.

College/University Faculty Preparation and Professional Development

Small groups have discussed three key questions pertaining to the professional preparation and development of postsecondary education faculty. From these discussions, the small groups have suggested a number of options for consideration by the full working group. The questions considered and the options generated from small group discussions include the following:

1. *In what ways can or should the State promote the use of technology to improve learner outcomes?*
 - a) Create opportunities to pilot innovative uses of technology to promote student learning.
 - b) Recognize and reward innovative uses of technology that enhance student learning.

- c) Make technology available and affordable to all students.
 - d) Require integration of technology use to improve teaching and learning as part of faculty preparation.
2. *What should be the State's role, if any, in increasing faculty diversity?*
- a) Authorize or provide differentiated compensation packages to attract underrepresented groups to faculty teaching.
 - b) Authorize and/or encourage alternative paths to faculty teaching, including the recruitment of practicing professionals.
 - c) Require longitudinal alignment of existing and future outreach and recruitment programs to identify potential candidates for faculty teaching from underrepresented groups early in their educational careers.
 - d) Earmark faculty positions for prospective faculty interested in researching issues of diversity within the discipline (likely to have only limited utility).
3. *In what ways can or should the State encourage faculty professional development related to effective teaching practices?*
- a) Create incentives to encourage faculty to be concerned about teaching.
 - b) Decrease faculty workload.
 - c) Commit resources to teaching effectiveness (e.g., invest in professional development centers).
 - d) Focus on community college faculty first, since teaching challenges there are greatest.
 - e) Consider reinstating the community college teaching credential.
 - f) Build a structure to support peer evaluation.
 - g) Measure success both quantitatively and qualitatively.
 - h) Promote faculty based upon, in part, teaching excellence.
 - i) Encourage scholarship and research about good teaching.

Ongoing Professional Development for K-12 Teachers

Small groups have discussed three key questions pertaining to the professional preparation and development of K-12 teachers. From these discussions, the small

groups have suggested a number of options for consideration by the full working group. The questions considered and the options generated from small group discussions include the following:

1. *What should be the twenty-year vision for professional development as it relates to student learning?*
 - a) Schools as learning environments where learning communities flourish.
 - b) All professional development relates to the classroom.
 - c) Ongoing development and support for staff at various stages in their careers.
 - d) An accountability system with a focus on student performance (i.e., student work drives professional development).
2. *What should be the State's role in building and supporting that vision?*
 - a) Elevate the role of professionalism in teaching.
 - b) Include teachers in shaping state policy.
 - c) Build research partnerships.
 - d) Support time for teacher reflection during the school day and year.
 - e) State sets parameters, guidelines and benchmarks, and locals interpret and implement (flexibility leverages accountability).
3. *What changes should be made in order to make that vision a reality?*
 - a) Define a distinct career path within the profession.
 - b) Provide opportunities to teach and pursue goals related to good teaching.
 - c) Provide professional development about how to use data to improve teaching and learning outcomes.
 - d) Provide local flexibility.

Administrator Recruitment, Preparation and Professional Development

A number of options for addressing the recruitment, preparation, and professional development of administrators have also been advanced by small groups for consideration by the full working group membership. These options include:

- Provide incentives to change the salary schedule of administrators to be more similar to that of teachers (i.e., take classes and increase salary).
 - Define a data system to evaluate progress and impact of professional development on administrator performance.
 - Provide state funding for formal induction and professional development for new administrators, and enable all administrators to experience high quality mentoring before they begin work.
 - Set aside state resources at every level to build a career ladder for teachers who want to move into administration.
 - Set expectations about administrator knowledge and skills in the Master Plan, but allow other entities such as the state and local education agencies to define the particulars.
 - Provide models for alternative structures that focus on student achievement and/or that connect administrators more directly with curriculum and instruction, and that keep focus on standards, assessment and accountability.
-

Governance Working Group

Executive Summary Governance addresses the education system's ability to meet its expectations and solve problems within it. Governance is essentially structure and control: What officials or entities should be making what decisions, and within what structures? To answer these questions, the goals of the education system must be clearly articulated. Then, the configuration of structures and the designation of responsibilities and decision-making authority can be recommended.

In California, education governance faces the unique challenges of history, size, and diversity. The success of an educational governance system, in part, lies in finding the optimum balance of responsibilities and authority between state, intermediate, and local agencies. The Governance Working Group was charged with examining and recommending improvements in the structure of education governance to meet three goals:

- Student achievement as the measure of success
- Accountability – a clear delineation responsibilities and consequences
- Coordination between K-12 and higher education, and between and among UC, CSU, CCC

This report addresses the Governance Working Group's progress to date. In *Group Membership and Affiliation*, a roster is provided with member names, titles, and organizational affiliation. *Group Charge and Scope* explains the group's operational approach, which in basic form involves three steps: (1) determination of the desired outcomes of education governance; (2) use of those outcomes to make recommendations about what kind of a structure is required in order to achieve them; and (3) within the structure that is designed to produce the desired outcomes, designation of the roles and responsibilities of the various entities of the system among the state, intermediate, and local agencies. The pace and support of the group's work is set forth in *Organization of Work*. This section describes the meeting logistics and the support provided to the group, such as briefing papers, charts, and guest speakers. In *Status of Deliberations*, the status of the working group's progress is reported.

The group has determined the general desired outcomes of the public school system, and has discussed preliminary structural alternatives for the state level of K-12 education governance. State-level structural options for higher education governance are still being discussed, as are intermediate- and local-agency-level structural options for K-12 education. Intermediate- and local-agency-level structural recommendations for higher education, and designation of roles and responsibilities, will be addressed by the group in the upcoming months.

Group member- ship and affiliation	Janet Holmgren, [<i>Chair</i>] President Mills College	Tom Henry, [<i>Vice-Chair</i>] Chief Administrative Officer Fiscal Crisis Management & Assistance Team
	Maria Blanco National Senior Counsel MALDEF	Kathleen J. Burke Executive Director The Stupski Family Foundation
	Christopher Cabaldon Vice Chancellor CCC Chancellor's Office	Davis Campbell Executive Director California School Boards Association
	Rudy Castruita Superintendent San Diego County Office of Education	Carl Cohn Superintendent Long Beach Unified School District
	General Davie Superintendent San Juan Unified School District	Billy E. Frye Teacher Long Beach Unified School District
	William Hauck Member California State University Board of Trustees	Gerald Hayward Director Policy Analysis for California Education
	Scott Hill Chief Deputy Superintendent California Department of Education	Judy Jordan Board Member Las Virgenes Unified School District
	Joanne Kozberg Regent University of California	Peter Mehas Superintendent Fresno County Office of Education
	Georgia Mercer President, Board of Trustees Los Angeles Community College District	Alice Petrossian Assistant Superintendent Glendale Unified School District
	Maxine Pierce Frost Board Member Riverside Unified School District	Ron Prescott Retired Los Angeles Unified School District
	Evonne Schulze Commissioner CPEC	Fred Silva Advisor, Governmental Relations Public Policy Institute of California
	David S. Spence, Alternate Executive Vice Chancellor California State University Chancellor's Office	Arturo Vargas Executive Director National Association of Latino Elected Officials
	Craig Walker President Ojai Federation of Teachers	

Group Charge and Scope When building a system, either in the form of a physical structure or an organization of people and resources, one temptation is to focus first on form, especially when the system is very large and complex. However, an organization's form exists to support that organization's substantive goals, and hence should be shaped after those goals are determined.

The first element of the Governance Working Group's charge, added by the group, was to determine the general desired outcomes of California's public education system. This step involved confirming some current goals, modifying others, and adding more. The group will continue to modify the list of outcomes throughout the working group meeting process. Priority outcomes that are overarching in nature include coordination of California's educational system throughout the education continuum and ensuring accountability. Both of these are in line with the major goal of the Master Plan: to promote student achievement.

The second component is to recommend structural governance forms that offer the greatest promise of yielding the desired outcomes. An overall pre-K through university governance scheme must be addressed, as well as postsecondary education and K-12 structures at the state, intermediate, and local levels.

The final charge will be to assign roles and responsibilities within the structures at all levels. When the assignment of roles and responsibilities becomes too specific and lengthy a task for the Governance Working Group to complete within the timeframe available to it, entities may be recommended by the group to determine those assignments.

Organization of Work

Calendar

The Governance Working Group scheduled eight meetings, five of which have been completed. The scheduled meeting dates include the following: March 19, Sacramento; April 19, Oakland; May 15, Los Angeles; July 25 — Joint Meeting with the Finance Working Group — Sacramento; August 30, San Diego; September 20, San Francisco; October 18, Los Angeles; and December 6, Sacramento. A summary of the first four meetings is provided in this report.

Guest speakers

On occasions, the working group has invited guest speakers with an expertise in the area(s) under discussion to share findings from their research and/or describe best practices in other states. To date the following presenters have appeared before the group and participated in group discussion: Jane Wellman, Senior Associate at the Institute For Higher Education Policy in Washington D.C.; Paul L. Tractenberg,

Professor of Law at Rutgers University in Newark, New Jersey; and William H. Pickens, President/CEO of The Foundation for Educational Achievement.

Continuous deliberations

Between meetings, governance members take part in an electronic e-mail forum via an open e-mail exchange in which all governance members are linked. This on-line forum serves the purposes of allowing the members to engage in preliminary discussions so that the meeting discussions will be more focused, enabling the continuation of particularly lengthy or complex meeting discussions after scheduled meetings have concluded, and providing time and place for members to express views on related topics that the limited eight-meeting schedule does not permit.

Background meeting materials

The Governance Working Group's deliberations are aided by research presented to them in the form of briefing papers, information sheets, and graphics. Research has been conducted as necessary to support the governance charge and meeting agendas, as well as in response to the group's requests. To date, briefing papers have addressed the roles and relationships of administrative and policy entities at the state level, kindergarten through 12th grade; the history of change in higher education, coordination of the tripartite higher education system, and community college governance; community college collective bargaining; and legal constraints on local control. Information sheets have been provided group members on the topics of AB 1200, ballot charters (a proposal to amend the state Constitution to allow school districts by vote of their electorates to adopt 'home rule' charters as cities and counties can), K-12 district size, revenue sources, and staffing expenditures. Charts have included: A History of Proposed Constitutional Amendments to Make the Superintendent of Public Instruction Appointive; The Harmonious Decades: 1927-62 All Superintendents of Public Instruction Initially Took Office as Gubernatorial Appointees; State-Level Governance of K-12 Public Education; Total Votes Cast for Each (state-level) Office Compared to the Average Number of Votes Cast, (various elections); Breakdown by Size of (K-12) School Districts; Sources of Revenue for K-12 Education in 1999-2000; State and Federal Categorical Aid; and Distribution of Students by County.

Status of Deliberations *Desired Governance Outcomes*

The following are desired outcomes for education governance derived from group discussions:

- Provide accountability to students and parents by state, intermediate, and local agencies for the meeting of respective obligations to provide equalized education opportunities.

- Clearly define state, intermediate, and local agency roles in a way that can be readily understood by all interested members of the public.
- Ensure that academic standards are in place.
- Alleviate unnecessary program overlap.
- Sustain competent management.
- Ease political competition for control of government resources.
- Increase local control within legal limits.
- Improve P-16 collaboration generally; specifically, improve the transition routes from high school to college.
- Adequately prepare high school students for college (alleviating the need for the level of remediation that is required today).
- Ensure that students graduate from high school with practical knowledge and skills, including the skills to be life-long learners and the skills to become employed without attending college.
- Ensure that students graduate from college with job skills in addition to academic knowledge in their areas of study.
- Ensure that graduates from all colleges reflect the diversity of the State's population.
- Generally, ensure that more students graduate from college, more students graduate from high school, and more students are able to make a smooth transition into the "real world" of independent living, personal responsibility, and income earning.
- Make CPEC or a similar organization more effective at data collection and analysis.
- Avoid duplication of expensive graduate programs.
- Create easier transferability between and among community colleges, State University, and University of California campuses.

Structures to Support Outcomes, State Level - K-12

The following are model structures currently being reviewed by the group:

1. Elected State Board of Education, with 9-11 regional representatives; Superintendent appointed by Governor; Office of Secretary for Education would be eliminated.
2. State Board of Education appointed by Governor, with 9-11 regional representatives; Superintendent appointed by Governor; Office of Secretary for Education would be eliminated.
3. Eliminate State Board of Education; Superintendent is either appointed or elected; if Superintendent is elected, Office of Secretary for Education or something similar would likely still exist.
4. State Board of Education appointed by Governor, with 9-11 regional being representatives, and Governor sits on it; Superintendent of Public Instruction appointed by State Board of Education; Office of Secretary for Education would become unnecessary and be eliminated.
5. State Board of Education appointed by Governor, with 9-11 regional representatives, and Governor sits on it; Superintendent of Public Instruction is elected; Office of Secretary for Education would likely still exist.

The group first faced the question of making any changes in the structure at all. An excerpt of a briefing paper addresses the issue:

The first option that must be seriously considered is no immediate change.

- **Pro:** California's existing structure of state-level governance of K-12 public education has been in place in essentially its current form for nearly a century. For the first 70 years of that period, California's K-12 school system was commonly considered to be one of the finest in the United States. Even now, faced with literally unprecedented challenges and in a time of widespread agreement that it has serious failings, California's K-12 school system is far from a disaster — and dramatic new initiatives are currently being implemented to address many of its shortcomings. The conflicts that are built into the existing state-level structure of governance may be frustrating to the parties involved, but all those parties are currently working more-or-less together — and that frustration may be the best evidence of a kind of messy-but-effective, shared accountability.
- **Con:** When a poorly designed system nevertheless functions passably well, the fact that it does so is testimony to the perseverance and good will of those

who must make it work, not proof that its design is a wise choice. The creation and continuing growth of the already decade-old ad hoc Office of Secretary for Education, which has no direct constitutional or statutory underpinning, provide undeniable evidence for the proposition that the existing constitutional and statutory structure of state-level governance for K-12 education is inadequate at best. Reliance on unplanned, erratic evolution seems an inappropriately passive and romantic approach to developing the best structure of governance for what is arguably state government's greatest single responsibility.

The group deliberations have been informed by consideration of other state structures. The following is an excerpt from a briefing paper prepared for the working group summarizing what is known about the various governance structures in other states:

Education Governance Structures in the Fifty States

STRUCTURE ONE (12 states)	STRUCTURE TWO (8 states)	STRUCTURE THREE (11 states)	STRUCTURE FOUR (9 states)
<i>Governor appoints SBE; SBE appoints the CSSO</i>	<i>SBE is elected; SBE appoints the CSSO</i>	<i>Governor appoints SBE; CSSO is elected</i>	<i>Governor appoints both the SBE and the CSSO</i>

Alaska	Alabama	Arizona	Delaware
Arkansas	Colorado	California	Iowa
Connecticut	Hawaii	Georgia	Maine
Illinois	Kansas	Idaho	Minnesota
Kentucky	Michigan	Indiana	New Jersey
Maryland	Nebraska	Montana	Pennsylvania
Massachusetts	Nevada	North Carolina	South Dakota
Missouri	Utah	North Dakota	Tennessee
New Hampshire		Oklahoma	Virginia
Rhode Island		Oregon	
Vermont		Wyoming	
West Virginia			

States that do not conform to one of the four basic structures:

Florida – The state board of education (SBE) consists of seven elected cabinet members: the governor, secretary of state, attorney general, comptroller, treasurer, commissioner of agriculture and chief state school officer (CSSO).

Louisiana – Eight state board members are elected, and the governor appoints three members. The SBE appoints the CSSO.

Mississippi – The governor appoints five SBE members, while the lieutenant governor and speaker of the house each appoint two members. The SBE appoints the CSSO.

New Mexico – Ten SBE members are elected, and the governor appoints five. The SBE appoints the CSSO.

New York – The state legislature elects SBE members, and the SBE appoints the CSSO.

Ohio – State board is a hybrid, with 11 members elected and eight appointed by the governor with the advice and consent of the senate. CSSO appointed by SBE.

South Carolina – Legislative delegations elect 16 SBE members, and the governor appoints one SBE member. The CSSO is elected.

Texas – The SBE is elected, and the governor appoints the CSSO.

Washington – Local school boards elect SBE members, and the citizenry elects the CSSO.

Wisconsin – There is no SBE, and the CSSO is elected.

Source: State Education Governance Structures. Denver, CO: Education Commission of the States, 1993. Updated 1998.

In considering the feasibility of changing from an elected to an appointed Superintendent of Public Instruction (SPI), the working group reviewed the history of the office of the SPI, revealing the fact that from 1927 to 1962, all Superintendents of Public Instruction initially took office as gubernatorial appointees. A summary of this history is provided below.

The Harmonious Decades	
<i>Superintendents</i>	<i>Terms of Office</i>
Will C. Wood	(Resigned 1927)
William John Cooper	Appointed 1927 Resigned 1929
Vierling Kersey	Appointed 1929 Elected 1930 Re-elected 1934 Resigned 1937
Walter F. Dexter	Appointed 1937 Elected 1938 Re-elected 1942 Died in office 1945
Roy E. Simpson	Appointed 1945 Elected 1946 Re-elected 1950 Re-elected 1954 Re-elected 1958 Did not run for re-election 1962
<i>Four successive superintendents, serving more than 34 years among them, each came into office initially by being appointed, with three of them effectively being “confirmed” and “reconfirmed” by the voters in general elections (as is the usual procedure with state appellate and supreme court justices), in a process largely orchestrated by a contemporary series of governors.</i>	

Structures to Support Outcomes - Postsecondary Education

Group deliberation and suggestions derived from both email dialog and practicing professionals has led to consideration of the following:

- Explicitly authorizing community colleges to provide upper-division instruction in partnership with CSU or UC campuses. This potential action would be responsive to the group’s goals of (1) alleviating unnecessary program overlap; (2) increasing the number of college graduates; and (3) improving transfer between and among public colleges and universities. In addition, it might serve to encourage joint facility use and greater collaboration between community colleges and the two university systems.
- Consolidating all governance authority and responsibility for establishing policy and budget priorities for the community college system with the Board of Governors. This potential action would be responsive to the goal of clearly defining state, regional, and local agency roles. It would also contribute to the overarching goal of linking responsibility and accountability for the community college system and would promote the good of easing transferability.

- Establishing a requirement that all community college districts must serve (be responsible for) at least two and no more than six colleges. This potential action is less directly connected to goals previously delineated by the working group. However, it is directed toward achieving cost efficiencies by reducing administrative expenditures within the resources available to community colleges, avoiding the program duplication in regions of the state where multiple colleges operate within reasonably close geographic proximity; and reducing the likelihood of new single college districts being created without thorough review and approval of the Board of Governors.
- Requiring all public schools, colleges, and universities to report a common set of data to California's designated coordinating agency for education on a regular cycle and to provide supplemental data requested by that body on a timely basis. This potential action would be responsive to the goals of (1) providing accountability to students and parents by state, intermediate, and local education agencies; and (2) contributing to increasing the effectiveness of CPEC, or a successor organization, at data collection and analysis. In addition, it would provide a common set of accepted data upon which to evaluate the performance of public schools, colleges, and universities in achieving state goals and policy priorities.
- Addressing the authority of California Postsecondary Education Commission (CPEC), or an appropriate successor, to improve its capacity to effectively coordinate postsecondary education in the state. This potential action would be responsive to the group's goals of (1) clearly defining the roles of state, intermediate, and local education agencies; and (2) increasing CPEC's effectiveness. Moreover, it would address the continuing feasibility of current legislative intent that CPEC be responsible for coordinating public and private postsecondary education in California.

Intermediate and Local Agency - K-12

Group deliberation has led to consideration of the following issues:

- Questionable ability of small districts to handle local control effectively, and loss of significant economies of scale; discontinuity of curriculum and instruction and fragmented accountability among non-unified districts. A potential action to address these issues might include giving small districts a choice, and sufficient time to decide (5-7 years), whether they should attempt to unify with one or more other districts or be consolidated with all other remaining small districts in each county; at the end of the time period, all districts below a certain size would be brought under the authority of the board of education of the county in which they are located. This potential action would be responsive to the goals of (1)

improving P-16 collaboration generally; and (2) providing all students with adequate opportunities to prepare themselves for successful transition to college.

- Protection of local control through clear divisions/assignment of responsibilities between state and local agencies. Any actions designed to address this issue would be directly linked to the goals of (1) increasing local control within legal limits; and (2) clearly defining state, intermediate, and local roles.
- Local taxing authority. Any actions designed to address this issue will be clearly responsive to the goal of increasing local control since the independent ability to raise substantial funds is a cornerstone of local control.
- Packaging and presenting recommendations in a way that will allow them the most potential to be embraced by the legislature and upheld by the judiciary. This issue is not directly connected to any of the group's goals but recognizes that many of the governance recommendations put forward by the group will be interrelated. As such, their success in achieving the intended goals may well hinge upon being implemented in a coordinated fashion.

Ballot Charters

Research was conducted in response to the group's interest in exploring the option of Ballot Charters, as one means of strengthening local control. The following is an excerpt from a Ballot Charter information sheet.

One means of establishing a firm, lasting sphere of local control for school districts might be to give school districts authority in the state constitution, similar to the authority that cities and counties have long had, to adopt 'home rule' charters. (In the context of school districts, they could be termed 'ballot charters,' to prevent confusion with existing 'charter school' statutes.)

Background

The struggle for local control by cities and counties in California began almost simultaneously with the commencement of statehood. The new state Legislature quickly began to intervene in local community matters, and rulings of the state courts ultimately required cities and counties to obtain statutory authorization to take even the most picayune of actions. After sixty years of conflict over the issue, Progressive Era reforms placed in the constitution the basic city and county charter provisions that have remained there ever since.

City and county charters must be adopted, and can only be amended, by votes of their citizens. As set forth in the constitution, however, "The [allowable] provisions of a [city or county] charter are *the law of the State and have the force of legislative*

enactments.” (Emphasis added.) A charter city has the broad authority to “make and enforce all ordinances and regulations in regard to municipal affairs[;] in other matters it shall be subject to general laws [of the State].” Charter counties’ scope of authority is by contrast limited to a short list of particulars (mostly dealing with elected officials, their powers, duties, terms of office, and compensation) and otherwise to only “the powers that are provided by...statute for counties.”

Legal Constraints on Local Control

California’s constitution does not allow state government to relinquish to local authorities its ultimate responsibility to provide a free and equitable public education. This fact requires the development of a governance and financing structure that distributes specific responsibilities between state and local government in a manner consistent with constitutional rulings by the courts.

Article IX, Section 5, of California’s Constitution promises a free public school system: “The Legislature shall provide for a system of common schools by which a free school shall be kept up and supported in each district....” and has been interpreted through case law to establish education as one of the fundamental interests that come within the equal protection guarantee.

Since the State bears the fundamental responsibility for keeping schools open on essentially the same basis for all pupils, local districts are inherently subsidiary to the State. This fact has created a parameter of the governance working group deliberations in developing a governance and financing structure that distributes specific responsibilities between state and local government consistent with constitutional court decisions.

Intermediate and Local Agency – Higher Education

The group is moving toward the issues involved in intermediate and local level structure for higher education. Discussion of assignment of roles and responsibilities will follow.

Conclusion Although the governance charge specifies the order of addressing the issues (first determine outcomes and/or functions, then define the structures, then assign the roles and responsibilities), the group is cognizant of the necessity at times to undertake all of the issues more-or-less simultaneously, given that the interrelation of roles and responsibilities with the structures and with the desired outcomes is an important issue of its own. Hence, all meetings have involved an array of cross-cutting topics, with the focus on a few, in order to achieve the goal of eliciting specific output from

the group that will eventually appear in the form of recommendations, while ensuring that those recommendations are thorough analyzed and that they fit into the entire education governance picture.

Finance and Facilities Working Group

Executive Summary The Working Group on Finance and Facilities is charged with applying new principles of finance to develop a system of funding for public schools and postsecondary education that is in accord with the purposes and governance structure of California's educational system. The group – operating with three subgroups for K-12 education, K-12 facilities, and postsecondary education – is working within two overarching policy themes: (1) simplify the school finance system so that it is understandable by educators, policymakers, families and the general public, and (2) recognize that education is a dynamic process, and any new system of finance must include processes for gathering information to identify best practices in the use of instructional resources.

The K-12 and postsecondary education subgroups have organized their work into major policy areas:

- *Adequacy* – the funding needed to provide all students with a high quality education.
- *Equity* – resources equitably distributed among educational agencies.
- *Revenue options; sources and uses of funds* – options for providing local flexibility to raise revenues for community educational priorities; policies for student fees, student aid and revenues that affect state aid for postsecondary programs.
- *Allocations and distributions; delivery of state funds* – methods for allocating funds to promote and support the effective delivery of educational services.
- *Accountability* – ways that the finance system can encourage student learning and improving educational outcomes.

The initial work of this group has focused on adequacy, and the following report summarizes much of that work, as well as indicating the status of the group's review of other policy areas.

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Group Charge and Scope The charge of the Finance and Facilities Working Group is to develop new principles of finance in accord with the purposes and the governance structure of the educational system that will be proposed in this Master Plan. To carry out this charge, working group is divided into two subgroups, one for K-12 public schools and one for postsecondary education.

K-12 Public Schools: The K-12 education subgroup approaches its work from the perspective of two overarching themes:

- Simplification, characterized by a finance system that is (1) understandable by educators, policymakers, families and the general public; and (2) rational, meaning it is aligned with the instructional, governance, and accountability structures of the public school system. Put simply, the system must make sense.
- Development of a data-driven system to identify how education resources are used, to find best practices, and to share those practices with others. Such a system must be based on data that follows student achievement over time and links resources to programs and practices that are proven effective in providing high quality educational experiences.

The specific charge for this subgroup falls into five major policy areas:

1. *Adequacy* – Determine an adequate level of resources needed to provide all students with a high quality education that provides equitable opportunities to achieve to high standards.
2. *Equity* – Assure that resources are equitably distributed among educational agencies, so that students with similar needs are provided sufficient levels of resources to meet those needs.
3. *Local Revenue Options* – Explore options for providing local flexibility to raise revenues to meet community priorities without developing wealth-based inequities in educational offerings.
4. *Allocation and Distribution* – Establish appropriate methods of allocating funds to promote and support the effective delivery of educational services.
5. *Facilities* – Establish high statewide standards for facilities to ensure that they are safe, clean, modern and conducive to learning. Share fiscal responsibility for new construction and modernization among the state, local districts, and communities. Promote shared/joint use of facilities among schools, colleges and universities, municipalities and other public agencies.

Postsecondary Education: With California’s changing demographic profile, it is important to regularly review the needs of students who have aspirations for a college

education, the fiscal resources needed by public colleges and universities to meet student needs, the resources available to students to meet the costs of college attendance, and the effectiveness of institutional expenditure of resources. The Joint Committee provided specific priorities for postsecondary education finance and facilities, including:

- Greater cohesiveness within the whole educational system.
- Simplification of the system from the student perspective.
- A finance system that supports student achievement. Incentives in the finance system are especially important in this regard.
- Equitable allocation of resources to support lower division instruction across segments of higher education.
- Better defining what we mean by affordability.
- Encouraging the use of technology and different modes of educational delivery.
- Establishing clear accountability within the public sector.

The Finance & Facilities Working Group for Postsecondary Education starts from the perspective that state finance must support the State's goals for higher education and be aligned with the structure and governance patterns of its institutions. Accordingly, the Group will measure the policy options it considers against the following criteria:

- What are the goals of California's higher education system that state finance should promote?
- What are the elements of governance and the structure of higher education that have the most relevance to finance?

Four policy areas encompass the issues that will be considered by this subgroup:

1. *Adequacy of finance:* How should the State determine the amount of money needed to achieve its goals? How does the increased use of technology change the calculation of the amount?
2. *Sources and uses of funds:* Who should pay, and for what? What principles of finance should the State adopt for distributing the financial burden of higher education or for requiring that certain revenues be spent for certain activities?
3. *Genesis and delivery of state funds:* On what basis should the State appropriate funds? What should be the "drivers" of finance? What are the incentives inherent

in the way the state determines appropriations? What is the appropriate level of detail and complexity in appropriations?

4. *Accountability:* In the finance process, what kinds of information should the State require to determine that resources are being used effectively? How can the finance process encourage student learning and improved educational outcomes?

**Organization
of work**

K-12 Education Subgroup: This subgroup has 28 members, and is convening eight full-day meetings from February through December to complete its charge, with meeting dates also reserved in January and February, if needed. The subgroup has structured consideration of its major policy areas sequentially over the series of meetings. Each policy area is reviewed three times, with the first meeting dedicated to informing and clarifying the topic for group members; a second meeting focused on a substantive discussion of issues for the first policy area and the introduction of a second policy area; and a third meeting concluding with alternatives and recommendations for the first policy area, discussion of the second area, and introduction of a third topical area. This process is continued until the working group has completed one full cycle for each of the major policy areas.

This subgroup met in July jointly with the Governance Working Group to review issues that are related to the charges for both groups.

A facilities team has met separately from the main group, and has scheduled additional meetings in August and October to focus specifically on facilities issues, options and recommendations.

Postsecondary Education Subgroup: This subgroup has 19 members, and is meeting eight times from May through December. A date in January has been set aside for additional work, if necessary. The group has structured consideration of its major policy areas sequentially. Each policy area will be the focus of at least one meeting. One or more experts will be invited to make presentations to the group on the meeting topic. Following the background presentations, the working group will discuss specific issues related to the topic, with the goal of exploring alternatives, identifying strengths and weaknesses of different options, and making recommendations when there is general consensus.

Background meeting materials

In response to a request from the Joint Committee, the Public Policy Institute of California, a private non-profit organization conducting research on California economic, social, and political issues, prepared a series of nine essays on specific topics in the area of education finance and governance. (A monograph of the K-12 papers, *School Finance and California's Master Plan*, is available through a link on the Joint Committee website at www.sen.ca.gov/masterplan or directly through the

PPIC website at www.ppic.org.) The working group has also commissioned additional, independent research papers on specific finance topics.

The working group chairs and the consultant gather information on existing practices and/or data relevant to the topic(s) under consideration for each scheduled group meeting, including reports on K-12 and postsecondary education finance produced in recent years.

Guest speakers

Both K-12 and postsecondary education subgroups have invited guests to provide expert testimony and to participate in discussions at subgroup meetings. Jon Sonstelie, professor of economics at the University of California, Santa Barbara, and principal researcher at the Public Policy Institute of California (PPIC), reviewed the findings and conclusions of PPIC's work on K-12 funding adequacy and local revenue alternatives. Norton Grubb, professor of economics at the University of California, Berkeley, discussed resource usage patterns and systemic barriers to more effective use of resources. Marianne O'Malley, principle analyst with the Legislative Analyst's Office (LAO), presented an overview of the LAO's report, *A New Blueprint for California School Facility Finance*.

Michael Shires, a professor from Pepperdine University, conducted a briefing for postsecondary education subgroup members and legislative staff based on his PPIC essay, *Alternative Funding Models for Higher Education*. Dwayne Matthews, director of state relations for the Education Commission of the States, provided an overview and engaged the group in a discussion of information technology and its effect on the development and delivery of instructional programs in higher education.

Other guest speakers are scheduled to make presentations at future meetings to assist the working group participants in carrying out the Joint Committee charge for Finance and Facilities.

Decision making process

Up to this point, the group has developed preliminary recommendations based on general consensus. When the working group gets to the point of adopting recommendations in November and December, for which consensus may be more difficult to obtain, more formal operating procedures may be followed.

Status of Deliberations:

K-12 Education	The K-12 education subgroup first looked at issues related to determining the amount of funding needed to provide a high quality education for all students. The group explored the recent evolution of school finance policy toward the concept of adequacy,
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and looked at options for assessing the level of funding needed to provide adequate educational resources in California. Two PPIC papers, *The Concept of Adequacy and School Finance*, by Heather Rose, and *Towards Cost and Quality Models for California's Public Schools*, by Jon Sonstelie, provided a strong base for this discussion.

The group has also investigated factors that may justify differences in the actual amount of education revenues provided to local educational agencies for instruction and related services. These factors fall into two major categories: (1) differences in the costs of education that are beyond the control of local school administrators; and (2) additional resources provided in recognition of specific student, school, or district characteristics that call for additional services to make high quality educational opportunities a reality. Again, PPIC essays on *Teacher Salaries in California* (Kim Rueben) and *Resources and Student Achievement: An Assessment* (Julian Betts and Anne Danenberg) have been invaluable in assessing this component of an adequacy model.

What is "adequacy"?

The subgroup has reviewed work on adequacy from a variety of sources, and is developing its recommendations for California.

The National Conference of State Legislatures has proposed basic principles for building an adequate education system, including adopting clear and measurable educational goals and objectives, identifying conditions and tools to provide every student a reasonable opportunity to achieve expectations, and ensuring that sufficient funding is made available and used to establish and maintain these conditions and tools.

Michael Rebell, Executive Director and Counsel of the Campaign for Fiscal Equity, Inc. in New York City, summarized in a recent paper four core constitutional concepts that have emerged from adequacy case law in other states. These concepts emphasize that an adequate education must (1) meet the purposes of education in a democratic society; (2) relate to contemporary educational needs; (3) be pegged to more than a minimal level; and (4) focus on providing the opportunity for students to achieve established outcomes.

In *The Concept of Adequacy and School Finance*, Heather Rose notes that adequacy includes two distinct components: (1) school policy geared toward achieving high minimum outcomes for each student; and (2) a finance system focused on providing schools with resources that are sufficient to achieve those outcomes.

Methods

The K-12 subgroup has reviewed several proposed models, some used in other states, for establishing the level of funding needed to provide a high quality education that would meet the tests of adequacy emerging from legal and policy forums.

- An empirical approach, which focuses on the level of spending in schools that have met desired standards for student performance and other indicators of a quality education. Since these schools have met those standards, their spending patterns may be used as a benchmark for the funding level needed for any school with a similar student population and regional characteristics to meet established standards.
- A production model, which uses research to discover and validate a production function for education – for a given amount and kind of resources (inputs) used in a certain way, what educational results could you expect (outcomes)?
- A professional judgment model, which looks to a representative group of experts to identify the components and characteristics of a system that would provide the learning opportunities needed for students to meet standards, and then prices those components to arrive at a total funding level necessary for a high quality educational system.

The Oregon Quality Education Model

Several states have recently taken steps to address the issue of funding adequacy in their systems of school finance, most notably Ohio, Wyoming, and Oregon. While each state has taken its own path, the subgroup believes that the approach taken by Oregon holds promise for California. Oregon set out to more directly tie funding and educational resources with expected outcomes by assessing how much money schools need to provide a quality education. Oregon chose a professional judgment approach, and convened a council of experts to (1) identify the features of a quality education; (2) develop prototypical elementary, middle and high schools that embodied those features; and (3) determine the cost of each prototype. The Oregon council was also charged with weighing the costs and benefits of their recommendations.

Adequacy - Next Steps

Several steps need to be taken before the Oregon approach can be applied to California:

- Analyze school-level expenditure data for the major cost categories of model quality schools to establish a baseline of current practice.

- Gather district-level expenditure data regarding those support functions that are essential to ensure local agency success.
- Convene groups composed of educators, policy makers, parents and others to make recommendations for the “best” use of educational resources at several different levels of spending.

Staff is exploring the availability of resources to support a sub-contract to begin this work.

Equity – Cost Adjustments

The subgroup has considered the issue of various adjustments to an adequacy-based cost model that would account for cost differences among schools and school districts in providing their students with high quality educational offerings. The group is reviewing adjustments based on student, school and district (regional) characteristics. PPIC essays on *Teacher Salaries in California* (Kim Rueben and Jane Leber Herr) and *Resources and Student Achievement: An Assessment* (Julian Betts and Anne Danenberg) have been invaluable in assessing this component of an adequacy model, as well as the extensive work presented in the Texas report, *A Study of Uncontrollable Variations in the Costs of Texas Public Education*.

California school finance has a long history of providing additional funding above base revenues for schools in recognition of special needs and conditions. While some adjustments are included in the calculation of school district revenue limits, most are provided through separate funding streams – categorical programs. California currently has a large variety of categorical programs, ranging from class size reduction to textbook purchases to tenth-grade counseling.

However, the California system of school finance makes few explicit adjustments to account for variations in the real cost of similar educational goods and services among different geographic regions – price differences.

Price Differences

Price differences are differences in the costs of purchasing the same “market basket” of goods and services in different regions of the state. Adjustments for price differences theoretically equalize purchasing power among educational agencies, and in the context of adequacy, help assure that once a budgetary level of per pupil funding is set by the Legislature, educational agencies throughout the state are able to purchase resources of comparable value.

In practice, any system of price adjustments is only approximate and can be limited by the lack of high quality data, the need to maintain a manageable set of regions, and the

need for such adjustments to be understandable and perceived as fair by the communities that are affected.

Status: The subgroup has asked that staff develop options specifically for regional price differences related to equity in teacher recruitment and retention.

Student Characteristic Adjustments

Like regional price differences, the circumstances of students that affect achievement, and the additional resources needed to effectively address those circumstances, can be incorporated into cost-of-education indices. However, determining the best funding adjustment in response to differing student characteristics has historically been more art than science. In the PPIC paper *Resources and Student Achievement: An Assessment* (Betts and Danenberg), the national and state-level evidence on the relationship between school resources and student achievement is reviewed. That review notes that most studies show, at best, a weak relationship between resources and achievement, especially when compared with the strength of the association between student performance and socioeconomic status found in recent research based on California data. Nonetheless, that research did show a modest association between gains in student performance and teacher qualifications related to education, experience, and full credentialing.

Applying the results of this research to estimate the benefits of improving teacher resources at low-performing schools, Betts and Danenberg found that raising teacher qualifications in low-performing schools could reduce the achievement gap by about one-third. The gap, as measured between schools at the median on national assessments in reading and math, and low achieving (bottom quartile) schools is 15 percent or more. That is, schools in the bottom quartile have 15 percent fewer students scoring at or above the national median score than average schools. The analysis indicates that increasing teacher qualifications in low performing schools may result in a reduction of that gap to less than 10 percent.

Based on spending patterns at those schools currently employing the most qualified teachers, such a change in low-performing schools would cost approximately \$300 per student. As the report notes, this estimate may significantly understate the actual cost of recruiting the most qualified teachers to teach in low-performing schools. It does, however, provide a starting point for considering incentives and other methods for bringing more qualified instructors to the schools most in need, and shows some evidence grounded in research that such a change would result in a narrowing of the student achievement gap.

Other Adjustments

Like many other states, California currently makes certain adjustments to school district funding based on geographic differences. Examples include rural transportation funding adjusted for sparsity and weather-related factors, and scale adjustments for small schools and districts. Recognition of these differential cost factors can also be reflected in an index to adjust the calculation of revenues provided to school districts.

Status: Specific student-characteristic adjustments will be considered at future meetings of the working group, as well as options to include other, geographically based adjustments.

Facilities

Because of the breadth of issues related to school facilities, a separate subgroup is focusing on this policy area and will be reporting the status of their findings and recommendations to the full working group in October. The Facilities group has identified key issues and criteria to guide the development of its options and recommendations.

Issue 1: Provide for a system of financing facilities that clearly identifies needs and provides the resources necessary to meet those needs. Such a system would be characterized by:

- Adequate, stable and reliable funding sources.
- Availability when needed.
- Addressing existing unfunded needs.
- Being based on a multiyear statewide plan with identified funding phases.

Issue 2: The State will guarantee funding for school facilities sufficient to assure access to a quality education for every student.

- Document the link between access to a high quality education and instructional facilities.
- Review funding options and sources. These include traditional sources such as state and local bond financing, developer fees, special assessment districts, and federal aid. Other sources that may be reviewed include the property tax increment and sales tax.

Consider special adjustments for the unique circumstances of districts.

Issue 3: Institute an effective accountability model. Such a model would be characterized by:

- Clear standards.
- Long range local facility plans.
- Measurable progress toward meeting standards.
- Self-assessment.
- Open sharing of assessment and progress information.
- Monitoring and verification by an intermediate agency.
- Early state intervention and assistance to meet standards.

The K-12 facilities group is also examining environmental standards and the review process that is applied to the acquisition of school sites. Beyond this, the role of other state and local entities in assisting districts to meet facility standards and requirements is being reviewed – the Division of the State Architect, Division of Toxic Substance Control, California Department of Education, Office of Public School Construction, city and county government, and the Legislature.

Local Revenue Options

The working group has heard presentations about the current use of parcel taxes as a source of local revenue, and the barriers schools face in accessing this source of revenue. The property tax has been reviewed, and the group is considering options that would make the property tax and the parcel tax a viable source of local revenue. Other sources of local revenue also were discussed, such as a local, voter-approved income tax increment, and local option sales tax increases.

Status: The working group will consider local revenue options specific to the income tax and sales tax at its September meeting. It will also continue its review of the property tax, including its limitations, allocation and uses.

**Status of
Deliberations:
Postsecondary
Education**

Adequacy of Finance

Like the K-12 subgroup, the postsecondary education subgroup is first reviewing issues related to how the state determines an adequate level of financing for higher education, for both operations and capital outlay. The subgroup has reviewed or will review the Governor's compact with the four-year public institutions, the existing statutory formula and categoricals for the community colleges, and Cal Grant funding. The subgroup has also reviewed how the increased use of technology may change the calculation of the appropriate level and method of financing higher education.

Two primary methods for determining adequacy are in use in California and other states: (1) cost studies and models of comparisons with other states and institutions; (2) negotiated processes or those that use expert judgment to arrive at formula methodologies. This subgroup discussed what other politically viable ways may be available to California for determining adequacy. That is, methods that meet the perceived needs of most or all constituencies that have a stake in the outcome. At one side of the continuum of approaches is the view that there is never enough, so we compete intensely for the largest share of resources that we can get. At the other end of the continuum is the approach, represented by Proposition 98, of constitutionally mandating a methodology for determining an annual share of resources so that policymakers have little discretion in setting the amount.

Group members have also noted that postsecondary education has been the victim of a boom and bust mentality. Most often, postsecondary finance is marked by great prosperity in good times and deep cuts in recessions because it is a non-mandated portion of the budget. During recessions, student fees are routinely raised drastically to make up some of the difference. This ability to offset General Fund reductions through fee increases becomes an added incentive for cutting higher education budgets during times of financial trouble. The working group is investigating options for improving the stability of funding for postsecondary education programs.

How Technology is Changing Higher Education Finance

Dewayne Matthews, Director of State Relations for the Education Commission of the States, made a presentation on how technology is changing higher education finance.

Two key effects of technology on higher education were cited: (1) it changes the cost basis for higher education services, and that will cause institutions to respond differently now and in the future to changes in enrollment and program patterns; and (2) it will result in the "unbundling" of instruction.

In the past, the key variable in cost and funding has been the class section. Funding assumed classroom (synchronous) delivery, and was generally based on inputs – that is, the number of enrolled students, faculty salaries, instructional materials and equipment, and facilities requirements. Under this structure, course development and delivery are funded as a single activity. Alternative modes of instructional delivery (i.e., distance education) have been treated as add-ons to the traditional model. Information technology fundamentally changes this model in several ways: (1) the key funding variable is no longer the class, but is instead the program; (2) more programs are structured around “anytime, anyplace” learning, rather than solely traditional classroom settings; and (3) more programs are, by necessity, learner outcome based, since seat time in an asynchronous environment is no longer a viable proxy for learning.

Implications of Information Technology

Some of the implications of information technology on higher education are:

- Curriculum development and course delivery are being unbundled.
- The most significant distinction becomes how the program is delivered, not where. Distance is not really the issue.
- Technology profoundly changes the cost basis for delivering higher education.
- Increased technology use will provide incentives for collaborative offerings of programs and instruction between institutions.

The changing cost basis

Information technology changes the cost basis for higher education because it tends to increase up-front program development costs, while reducing per student delivery costs. How does (or can) this affect higher education finance?

- Cost effectiveness of alternative modes of delivery must be assessed.
- Program development costs become an investment, more like capital expenditures.

These factors imply strategies that will share development costs among institutions, distribute costs over a larger student base, and develop financing approaches that will provide significant up front funding for program development. Financing policies need to provide incentives for collaboration, eliminate distinctions based on location, and provide incentives to receive programs – that is, use educational programs that were not developed by the institution.

These trends are increasing the need to think much more collaboratively. How do we create structures that promote collaboration and eliminate barriers? One structure is the use of multi-institutional centers that contract with educational providers to meet the needs of local groups. For example, one institution may have participated in the development of an instructional program that is then delivered using the facilities and faculty of another institution or institutions. Conversely, the institution that developed that particular program may well be using instructional programs developed by other institutions or collaboratives for the instruction of students at its own sites. Curriculum and instruction become much less closely linked to specific institutions and locations, and much more dependent on collaborative arrangements.

Status: The subgroup engaged in a discussion of many of the issues raised by this presentation, and will continue to explore the implications as part of its consideration of financing options.

Segmental Views About Adequacy

The Postsecondary Education Finance subgroup discussed the adequacy of funding from the perspective of the three segments of public higher education:

Community Colleges

Group members noted that community college funding comes from within the Proposition 98 guarantee. The share of Proposition 98 funding going to community colleges has declined over the years. A question the group will consider is if community colleges are well served by being within the K-14 guarantee, and what other funding options might be considered. Student fees were raised as an issue for community colleges. Group members noted that there is no clear, rational state policy governing student fees, and so community college fees are subject to political whim. Fees for community colleges in California are well below the average for the rest of the nation. Some members suggested that community colleges should be governed by a policy that allows for modest annual fee increases, with authority to set fees within statutory guidelines in the hands of the Community College Board of Governors. The Legislature would have the option to “buy” fee increases out in any given year, much like the other higher education segments.

It was also noted that our current low fee structure actually deprives California and its students of financial aid that would otherwise be forthcoming from the federal government. A rational fee policy could be structured in such a way that much of the student cost of attendance would be funded by federal financial aid in combination with the Cal-Grant program. In addition, other members suggested exploring options for increasing revenue to community colleges beyond student fees and property taxes. We could look, for example, at a local income tax option for community colleges.

University of California

The University has worked toward funding stability through a compact, or partnership, with the Governor. This was developed in response to the recession of the early '90's, when all segments experienced significant reductions in funding. The partnership agreement makes a commitment from the University to achieving outcomes on specific performance indicators that are of policy importance to the Administration and the state and, in return, the Administration commits to stable and predictable annual funding increases. This agreement has worked well in good economic times. It has, however, been tested for the first time this year as California's economy has slowed. Members noted that the budget for 2001-02 does not meet the funding goals of the compact.

Group members commented on the marginal cost formula for funding enrollment growth, noting that it works well in times of slow growth, but is stressed by fast increases in enrollment, when it becomes insufficient to meet costs. Therefore, the marginal cost methodology may not adequately fund the levels of growth we are anticipating because it provides far less than the average expenditures needed for all students. It works adequately only for relatively small percentage changes, not for growth that dramatically transforms the institution's size and scale.

California State University

Members discussed the practice of base budgeting, where past year funding is the starting point for current budget negotiations. This budgetary approach implicitly defines adequacy as the amount of funding currently received. It assumes institutions are able to do what is expected within current resources. The partnership does not change this process, but it does provide a greater sense of stability for the base funding level and some expectation of adjustments for growth, inflation and changes in expectations.

It was noted that CSU has experienced continuing increases in funding over the years, and in that sense has done well. Some members, however, were less sanguine with this observation and asserted that recruitment and retention of full time quality faculty has suffered because of funding constraints that put CSU behind its comparison institutions in faculty salaries.

Members also considered that funding growth based on average marginal costs per FTE may have unintended consequences, in that it creates pressure to increase class size, to use more part-time faculty, and to increase the number of sections in lower-cost subject areas during periods of high enrollment growth.

Status: The subgroup members will continue their deliberation of issues of adequacy, as well as issues and options for the other major policy areas within their charge. Student fees, financial aid, accountability systems, and alternative funding models –

student based funding, performance funding, and others – are subjects that the group will review during its remaining meetings.
